RUIN OF
INDIAN TRADE AND INDUSTRIES

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By

Major B. D. BASU, I.M.S.

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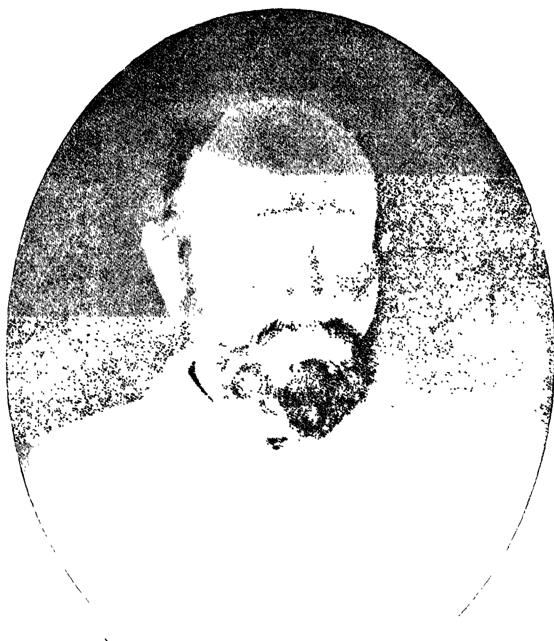
in

the Industrial Development

of India.

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Major B. D. Basu

INTRODUCTION

In the pre-British period, India was as great a manufacturing country as an agricultural one.

"Ere the pyramids looked down upon the valley of the Nile, when Greece and Italy, those cradles of European civilization, nursed only the tenants of the wilderness, India was the seat of wealth and grandeur. A busy population had covered the land with the marks of industry ; rich crops of the most coveted productions of nature annually rewarded the toil of the husbandman. Skilled artisans converted the rude products of the soil into fabrics of unrivalled delicacy and beauty. Architects and sculptors joined in constructing works, the solidity of which has not, in some instances, been overcome by the evolution of thousands of years. . . . The ancient state of India must have been one of extraordinary magnificence." (Thornton's *Description of Ancient India,* quoted in *The Modern Review,* January 1921, p. 162).

She was pre-eminently noted for her Iron and Cotton Industries. Regarding the Iron Industry in India, Dr. Benjamin Heyne wrote in his statistical fragments on Mysore :

"Since my arrival in England I have endeavoured to obtain information of what is known here of Indian steel, and of the result of

experiments which have been made with it ; and I am happy in being permitted to lay before my readers a letter from Mr. Stodart, an eminent instrument-maker, to whom I was recommended for the purpose by Dr. Wilkins, which equally proves the importance of the article, and the candour and ingenuity of the writer. The letter is as follows :

'Agreeably to your request, I herewith transmit to you a few remarks on the wootz, or Indian steel. I give them as the results of my own practice and experience.

'Wootz, in the state in which it is brought from India, is, in my opinion, not perfectly adapted for the purpose of fine cutlery. The mass of metal is unequal, and the cause of unequality is evidently imperfect fusion ; hence the necessity of repeating this operation by a second and very complete fusion. I have succeeded in equalizing wootz, and I now have it in a very pure and perfect state, and in the shape of bars like our English cast steel. If one of these is broken by a blow of a hammer it will exhibit a fracture that indicates steel of a superior quality and high value, and is excellently adapted for the purpose of fine cutlery, and particularly for all edge instruments used for surgical purposes . . . . I find the wootz to be extremely well hardened when heated to a cherry-red colour in a bed of charcoal dust, and quenched in water cooled down to about the freezing point.

'It is worthy of notice, that an instrument of wootz will require to be tempered from 40 to 50 degrees above that of cast steel. For example,

if a knife of cast steel is tempered when the mercury in the thermometer has risen to 45°, one of the wootz will require it to be 49° ; the latter will then prove to be the best of the two, provided always that both have been treated by the workman with equal judgment and care.

'Upon the whole, the wootz of India promises to be of importance to the manufacturers of this country. It is admitted, by the almost universal consent of intelligent workmen, that our English steel is worse in quality than it was some thirty or forty years ago. This is certainly not what one would expect in the present improved state of chemical science : but so it actually is. The trouble and expense of submitting wootz to a second fusion will, I fear, militate against its more general introduction. If the steel makers of India were made acquainted with a more perfect method of fusing the metal and taught to form it into bars by the tilt hammers, it might then be delivered here at a price not exceeding that of cast steel . . . . I am of opinion it would prove a source of considerable revenue to the country. I have at this time a liberal supply of wootz, and I intend to use it for many purposes.. If a better steel is offered me, I will gladly attend to it ; but *the steel of India is decidedly the best I have yet met with.*' "

In his essays on *Indian Economics*, Mr. Justice Ranade wrote :

"The iron industry not only supplied all local wants, but it also enabled India to export its finished products to foreign countries. The

quality of the material turned out had also a world-wide fame. The famous iron pillar near Delhi, which is at least fifteen hundred years old, indicates an amount of skill in the manufacture of wrought iron, which has been the marvel of all who have endeavoured to account for it. Mr. Ball (late of the Geological Survey of India) admits that it is not many years since the production of such a pillar would have been an impossibility in the largest factories in the world, and, even now, there are comparatively very few factories where such a mass of metal could be turned out. Cannons were manufactured in Assam of the largest calibre. Indian *wootz* or steel furnished the materials out of which Damascus blades with a world-wide reputation were made ; and it paid Persian merchants in those old times to travel all the way to India to obtain these materials and export them to Asia. The Indian steel found once considerable demand for cutlery even in England. The manufacture of steel and wrought iron had reached a high perfection at least two thousand years ago." (First edition, pp. 159-160).

As to the cotton industry of India, she used to clothe the men and women of the Christian countries of the West.

It is a historical fact that when Queen Mary came to England with her husband after the English Revolution of 1688, she brought " a passion for colored East Indian calicoes, which speedily spread through all

classes of the community."* But this did not suit the English philanthropists of those days. They proclaimed a boycott of Indian goods. To quote Lecky :

"At the end of the seventeenth century great quantities of cheap and graceful Indian calicoes, muslins, and chintzes were imported into England, and they found such favour that the woolen and silk manufacturers were seriously alarmed. Acts of Parliament were accordingly passed in 1700 and in 1721, absolutely prohibiting, with a very few specified exceptions, the employment of printed or dyed calicoes in England, either in dress or in furniture, and the use of any printed or dyed goods of which cotton formed any part."*

In Christian England, it was

"penal for any woman to wear a dress made of Indian calico. In 1766 a lady was fined £200 at the Guild Hall because it was proved that her handkerchief was of French cambric."†

But England did not then possess political sway over the destiny of India. When she came to possess that power, she not only boycotted Indian goods but strangled Indian industries by means which no one

* Lecky's *History of England in the Eighteenth Century*, Vol. II, p. 158.

* Lecky's *History of England in the Eighteenth Century*, Vol. VII, pp. 255-66.

† Lecky's *History of England in the Eighteenth Century*, Vol. VII, p. 320.

can pronounce to be fair and just. Wrote an English Historian :

"The history of the trade of cotton cloth with India affords a singular exemplification of the inapplicability to all times and circumstances of that principle of free trade which advocates the unrestricted admission of a cheap article, in place of protecting by heavy duties a dearer one of home manufacture. It is also a melancholy instance of the wrong done to India by the country on which she had become dependent. It was stated in evidence, that the cotton and silk goods of India up to this period [1813] could be sold for a profit in the British market, at a price from fifty to sixty per cent. lower than those fabricated in England. It consequently became necessary to protect the latter by duties of seventy and eighty per cent. on their value or by positive prohibition. Had this not been the case, had not such prohibitory duties and decrees existed, the mills of Paisley and of Manchester would have been stopped in their outset, and could scarcely have been again set in motion even by the powers of steam. They were created by the sacrifice of the Indian manufactures. Had India been independent she would have retaliated : would have imposed preventive duties upon British goods and would thus have preserved her own productive industry from annihilation. This act of self-defence was not permitted her ; she was at the mercy of the stranger. British goods were forced upon her without paying any duty : and the foreign manufacturer employed the arm

of political injustice to keep down and ultimately strangle a competitor with whom he could not have contended on equal terms." *The History of British India*, by Horace Hayman Wilson, Vol. I, p. 385.

Another English officer wrote :

"Every one knows how jealously trade secrets are guarded. If you went over Messrs. Doulton's Pottery Works, you would be politely overlooked. Yet under the force of compulsion the Indian workman had to divulge the manner of his bleaching and other trade secrets to Manchester. A costly work * was prepared by the India House Department to enable Manchester to take 20 millions a year from the poor of India : copies were gratuitously presented to Chambers of Commerce, and the Indian ryot had to pay for them. This may be political economy, but it is marvellously like something else." Major J. B. Keith in the *Pioneer*, September 7, 1891.

How did England build up her industries?

India was considered to be fabulously rich and therefore she was called "Golden India." She was also rich in industries and manufactures. The object of the maritime European nations in the fifteenth and sixteenth centuries in trying to discover the

* See the article "Specimens of Indian Textiles, where are they ?" in *The Modern Review* for December, 1908, printed as an appendix.

sea-route to India was to bring into their countries the natural products and other articles which India then manufactured. India always attracted the gold and silver of the world by the sale of her products, both natural and artificial.

Dr. Robertson writes on his *Historical Disquisition Concerning India* (London, 1817), p. 180:

"In all ages, gold and silver, particularly the latter, have been the commodities exported with the greatest profit to India. In no part of the earth do the natives depend so little upon foreign countries, either for the necessaries or luxuries of life. The blessings of a favourable climate and a fertile soil, augmented by their own ingenuity, afford them whatever they desire. In consequence of this, trade with them has always been carried on in one uniform manner, and the precious metals have been given in exchange for their peculiar productions, whether of nature or art." *A Historical Disquisition Concerning India*, New Edition (London, 1817), p. 180.

Again:

"In all ages, the trade with India has been the same; gold and silver have uniformly been carried thither in order to purchase the same commodities with which it now supplies all nations; and from the age of Pliny to the present times, it has been always considered and execrated as a gulf which swallows up the wealth of every

other country, that flows incessantly towards it, and from which it never returns." *Ibid.*, p. 203.

But when England came to possess political supremacy over India, she went on draining the resources of India to England, which the poet Thomas Campbell referred to in the following lines :

> " Rich in the gems of India's gaudy zone
> And plunders piled from kingdoms not their own."

It was this " Indian plunder " which enriched England and enabled her to build up her industries. This is borne out by what Brooks Adams wrote in his work entitled " The Law of Civilisation and Decay."

" The influx of the Indian treasure, by adding considerably to the nation's cash capital not only increased its stock of energy but added much to its flexibility and the rapidity of its movement. Very soon after Plassey, the Bengal plunder began to arrive in London, and the effect appears to have been instantaneous ; for all the authorities agree that the " industrial revolution," the event which has divided the nineteenth century from all antecedent time, began with the year 1760. Prior to 1760, according to Baines, the machinery used for spinning cotton in Lancashire was almost as simple as in India : while about 1750 the English iron industry was in full decline, because of the

destruction of the forests for fuel. At that time four-fifths of the iron used in the kingdom came from Sweden.

"Plassey was fought in 1757 and probably nothing has ever equalled the rapidity of the change which followed. In 1760 the flying shuttle appeared, and coal began to replace wood in smelting. In 1764 Hargreaves invented the spinning-jenny, in 1776 Crompton contrived the mule, in 1785 Cartwright patented the power-loom, and, chief of all, in 1768 Watt matured the steam engine, the most perfect of all vents of centralizing energy. But, though these machines served as outlets for the accelerating movement of the time, they did not cause that acceleration. In themselves inventions are passive, many of the most important having lain dormant for centuries, waiting for a sufficient store of force to have accumulated to set them working. That store must always take the shape of money, and money not hoarded, but in motion. Before the influx of the Indian treasure, and the expansion of credit which followed, no force sufficient for his purpose existed ; and had Watt lived fifty years earlier, he and his invention must have perished together. Possibly since the world began, no investment has ever yielded the profit reaped from the Indian plunder, because for nearly fifty years Great Britain stood without a competitor. From 1694 to Plassey (1757) the growth had been relatively slow. Between 1760 and 1815 the growth was very rapid and prodigious. Credit is the chosen vehicle of energy in centralised societies, and no sooner had treasure enough accumulated in

London to offer a foundation,than it shot up with marvellous rapidity. The arrival of the Bengal silver and gold enabled the Bank of England, 'which had been unable to issue a smaller note than for £20, to easily issue £10 and £15 notes and private firms to pour forth a flood of paper.' "—*The Law of Civilisation and Decay*, pp. 263-264, quoted in Digby's *Prosperous British India*, pp. 31-33.

From the time England acquired political power in India, she destroyed Indian trade and industries principally by means of :

1. The forcing of British Free Trade on India.

2. Imposing heavy duties on Indian manufactures in England.

3. The export of Raw Products from India.

5. Exacting Factory Acts.

5. The Transit and Customs duties.

6. Granting special privileges to Britishers in India.

7. Building railways in India.

8. Compelling Indian artisans to divulge their trade secrets.

9. Holding of Exhibitions.

10. Investing so-called British Capital in India.

11. The denial of self-government to India.

RUIN OF INDIAN TRADE AND INDUSTRIES

CHAPTER I

THE FORCING OF BRITISH FREE TRADE ON INDIA

The natives of England are a nation of shopkeepers. All the world over, shopkeepers are reputed to be selfish and greedy. They understand their own interests and do not care for the well-being of others. These characteristics the English exhibited in a remarkable degree on the occasion of the renewal of the East India Company's Charter in 1813. Witness after witness swore before the Select Committees of both Houses of Parliament that there was no need for English manufactures in India, and that the people of that country did not require any English-made goods ; yet the avaricious Englishmen invented schemes and proposed measures calculated to put money into their own pockets. Of course, they did not say openly that Indian industries should be

crushed to make room for English manufactures in India, but the steps which they proposed to adopt were meant to bring about that end.

To increase the sale of English goods in India, they advocated free trade. But this free trade was not to be reciprocal. English goods were to be forced on India, but Indian manufactures were not to be allowed to be imported into England without paying duties and taxes. Had free trade been reciprocal, English industries would have been crushed by fair competition.

But the witnesses examined before the Select Committee of the Houses of Lords and Commons were not of opinion that free trade would lead to an increased demand for European articles among Indians. We reproduce below the evidence of some of the witnesses examined before the Select Committee of the Lords. Mr. Warren Hastings was the first witness examined before that Committee.

"Are you of opinion that in the event of a free trade between this country and British India, the demand for British manufactures would be increased in any material degree in that country? —I believe not. I do not know why it should; it may cause a greater influx of British goods

into that country, but it cannot increase the wants of the people to possess them."

Mr. William Cowper appeared also as a witness before the Committee.

"In the event, therefore, of a free trade between the ports of this country and the ports of British India, do you conceive there is much prospect of an extended use of British manufactures or commodities in the country? —I certainly do not think there is any probability of such an extension."

Sir John Malcolm was also asked the same question.

"From your knowledge of India, can you form any opinion, if a free trade were opened, whether the demand for European manufactures in British India would be likely to be increased? —Having always seen not only in the principal British settlements, but in every town where there were British residents, and in every station where there was a military cantonment, an abundance of European articles of every description that were exposed for sale at various prices, from articles of the best quality and in the highest preservation, down to those of inferior quality or damaged, and which market of articles was accessible to all natives as well as Europeans, I should certainly not conclude that there would be any immediate increase of sale from any measure of the kind, because consumption must depend upon the purchasers, not the sellers."

He was again asked by the Lords' Committee :

"Do you apprehend that in the event of a free trade there will be any extension of demand for British manufactures?—Having stated that at present there is . . . . an abundance of European articles in every settlement, town, and cantonment in India, I do not conceive there could be any immediate increase of the sale of those articles from any alteration in the system."

To Lord Teignmouth the same question was put.

"Is your Lordship of opinion, in the event of a free trade between this country and India, a considerably increased demand for European articles among the natives would be likely to take place?—I think not.

"Will your Lordship state what are your reasons for that opinion?—That I am not aware of any manufactures in this country that the natives would be likely to purchase in any considerable degree : this opinion is formed from my knowledge of their modes of living in India."

Mr. Thomas Graham was also examined on the subject of free trade to India.

"Looking to the general habits of the natives, as well as to the degree of export that has for many years past existed and now exists, do you think that thus opening the trade to India would increase the consumption of European articles among the natives of India?—I have no idea that

it would ; their habits are so different from the use of any articles of that description that I think it almost impossible that it should."

Sir Thomas Munro being questioned,

"From your knowledge of the natives of Hindustan, are you of opinion, that if a free trade were sanctioned by law between this country and India, there would be any considerable increase among those natives of the demand for British commodities or manufactures?—"

said,

"I do not think there would be any material increase of the demand now existing for European manufactures and commodities ; I think that some small increase would arise from the gradual increase of population, but I think none from a change in the customs or the taste of the natives themselves."

Mr. John Stracey was also a witness. He was asked :

"Are you of opinion that if a free trade were opened between this country and India, there would be any materially increased demand among the natives of the Bengal provinces for English manufactures?—I really should think not."

Mr. Graeme Mercer was also asked to give his opinion on the effects of free trade.

"Are you of opinion that if a free trade were opened between this country and India, there would be any materially increased demand among the natives of India for English manu-

factures or commodities?—I think no sudden increased demand for the manufactures of this country would arise from such a free trade ; the habits and manners of the natives are of such a nature as may be said to be nearly unchangeable ; their wants from other countries are few or none ; and from the period in which I have resided in India, I could perceive little or no alteration with regard to their demands for any European commodities."

Mr. Thomas Sydenham was also a witness, and was asked :

"From your knowledge of the habits and wants of the natives of that country, do you think that in the event of a free trade there would be any materially increased demand, among the natives of India, for European manufactures or articles?—I do not think that there would be any material increase of demand, whether trade remained in its present situation or were thrown open.

"Are you of opinion, that in the event of a free trade, there would be any greatly increased demand for European commodities?—Certainly not ; I do not see how the demand is to be at all increased by the opening of the trade : the demands of course take place from the wants of the natives there."

Mr. Charles Buller was asked questions almost of the same import as the above-mentioned witness.

"Are you of opinion, that if a free trade

were opened with India, there would be any increased demand among the natives of that country for European articles and manufactures? —Very little, if any, I should suppose so.

"What are your reasons for that opinion?—From the general poverty of the people and from their not having any wish, as I have seen, to have our articles, generally speaking."

It is needless to quote the opinions of other witnesses as to the improbability of free trade leading to an increased demand among Indians for British manufactures. Yet the English people were determined to deprive the East India Company of its monopoly and have free-trade with India.

But they did not act on that precept of Christ whom they professed to worship as their Savior—that precept which taught, "Do unto others as you would be done by." They did not wish to give India that advantage which they were trying to possess themselves. There was not to be any reciprocity. No Indian manufactures were to be admitted duty-free into England. What would have been the fate of English industries had Indian manufactures been accorded the same privileges as those who were natives of England were clamouring for? Why, the English industries would

have been all crushed in no time. This is quite clear from the evidence of the witnesses who appeared before the Parliamentary Committees. Take the evidence of Mr. William Davies before the Select Committee of the House of Lords on the 12th April, 1813. He was asked :

"Are you of opinion that if a considerably increased capital were applied to the encouragement of the manufactures of India, and they were brought to Europe, they would not probably materially injure the manufactures of this country?—I think that if the exports from India of coarse cloths were greatly increased, that they might interfere with the manufactures of this country. A proof. I had cloths consigned to me from Madras which did pay the duty in England, and were sold in England, a part of which I have now in use in my own house after having been bought from a trader in London ; I am speaking of coarse cotton cloths."

Cotton piece-goods from India were not imported into England without duty being imposed on them. And this duty was a very heavy one. Mr. Robert Brown, who appeared as a witness before the Lords' Committee, having been sworn, was examined as follows :

"Have you had extensive dealings in cotton piece-goods from India?—I have.

"Do you know what is the *ad valorem* duty imposed on piece-goods sold at the sales of the Company?—They are divided into three classes, the first is the articles of muslins, which pay on importation 10 per cent., and £27 6s. 8d. per cent. for home consumption; the second is the article of calicoes, which pays £3 6s. 8d. per cent. on importation, and £68 6s. 8d. per cent. for home consumption; the third comes under the denomination of prohibited goods, which pay merely a duty of £3 6s. 8d. per cent. on importation, and are not allowed to be used in this country."

No Christian native of England ever proposed to remove this *ad valorem* duty on cotton piece-goods imported from India. Almost every one of the Christian islanders (except the interested merchants constituting the East India Company who enjoyed the monopoly) was clamouring for free trade to India, but no one showed sufficient large-heartedness or magnanimity to advocate the importation of Indian goods into England on the principle of free trade. Had this been done, English manufactures would have been ruined. Mr. Robert Brown was examined on this subject before the Lords' Committee.

"From your general experience, can you state whether the cotton goods manufactured in this

country have attained to the perfection of the India fabrics?—In many cases I conceive that they very much surpass them.

"Do you mean that the fine piece-goods of India are surpassed by the British piece-goods? —No, I do not; certainly I mean the common and the middling qualities.

"Are there any species of Indian piece-goods with which, in your apprehension, British cottons of apparently the same quality could not sustain a competition?—Is it meant by that to ask me in point of price, or in point of quality?

"Are there any species of Indian piece-goods with which, in your apprehension, British cottons of apparently the same quality could not sustain a competition?—They have certainly been very successfully imitated; and, as I stated before, the British goods have in some cases surpassed the others.

"Supposing that Indian piece-goods were to attain a considerable degree of home consumption, would the finer sorts of them prevail over any British fabrics of the same kind that could be brought to contend with them in the market?—If you mean the finer description of piece-goods to be imported without the payment of duty, they would certainly interfere very much with British goods; but it would be with the coarser goods, if the duty was evaded, with which the interference would be by far the greatest in my opinion, in consequence of the low price at which those common piece-goods are sold at the Company's sales; and the greater price of the same description of goods of British manufacture. At present

the duty is so heavy, amounting to £68 6s. 8d. per cent. for home consumption, that very few, if any, sold for the home market.

"Supposing that India piece-goods in any great quantity were fraudulently introduced into the home consumption do you conceive that they might interfere with the cotton fabrics of this country, in spite of the expense with which the fraudulent introduction of commodities must necessarily be attended?—I think they would interfere very greatly and that the saving in the point of duty would amply compensate for the expense of smuggling them.

"Can you state the difference between the price which British white calicoes from the manufacturers fetch per yard, and that at which Indian white calicoes of nearly the same dimensions and quality sold at the March sales of the Company?—From a calculation I have recently made, I find that the difference is from 30 to 60 per cent., that is to say, that goods at the last March sale sold by the East India Company at from 30 to 60 per cent. less than the same qualities, width, and descriptions could be bought from the manufacturers."

While they were demanding free trade to India, they were having a very strict protection against the importation of Indian goods in England. Mr. Gloucester Wilson was examined before the Lords' Committee :

"Do you think that, in the event of the import trade from India being extended to the

out ports of this kingdom, there would be danger to the manufactures of this country, by the introduction of illicit and prohibited articles that might supplant those manufactures?—I am not competent to form a further opinion upon that, but that there might be an increased opportunity of smuggling and of course of bringing in prohibited articles, or articles that might interfere with the manufactures."

They were afraid of applying the principle of free trade to the import of Indian goods into England, because there would be smuggling and thus ruining of the English manufacturers. Mr. John Vivian was sworn and examined by the Lords' Committee as follows :

"Do you think that if there was from India a free open trade to the port of London, that that would greatly increase the smuggling to this island?—I should think it might : my reason for so thinking is, that a great Company is not so fit an instrument for smuggling as an individual, or any association of a few individuals, inasmuch as the Company has not the same motive that an individual has . . . ."

We have thus far seen that from the Indian economic point of view no case could be made out for British free trade in India. India did not stand in need of British goods. Dr. Johnson, referring to a certain class of

his countrymen, spoke of patriotism as the last refuge of scoundrels. Similarly, philanthropy is the last resource of British exploiters. Economic considerations failing, they pressed philanthropy into their service to prove the need of British free trade in India. The Select Committee of the House of Commons assumed that free-trade was a philanthropic measure calculated to raise the natives of India in the scale of nations and to civilize them! So Sir Thomas Munro was sworn and examined by the Commons' Committee from this point of view.

"Have you ever contemplated the effects of commerce in the western world, the share it has had in oversetting or softening the despotisms and changing the established manners of Europe, and in improving and enlightening the state of European society generally?—I have seen and observed that the effect of commerce has been that of very greatly tending to the enlightening of most of the nations of Europe.

"If the same causes were to be allowed to have free operation in India, and to receive a just and prudent support from Government instead of opposition, what in your opinion would be the gradual effect on the manners and prejudices of the Indians?—If the manners and customs of the Indians are to be changed, I think it likely that they will be changed by commerce ; but commerce

does not seem to have produced much effect upon them."

We may imagine what questions an advocate of India would have asked in cross-examining the witness. He would have asked whether the civilizing effects of commerce in Europe were due to the exploitation of Europe by foreigners, whether on the contrary the Europeans were not both manufacturers and sellers as well as purchasers, and whether it was proposed to make the Indians also manufacturers and sellers as well as purchasers. But no measure was proposed to infuse the spirit of commercial enterprise in the natives of India. On the contrary, free trade was meant to crush the commercial pursuits of Indians. Sir Thomas Munro was further examined by the Committee.

"Are not the natural habits and dispositions of the people of India such as would lead them to engage with great zeal and ardour as well in commercial as in other pursuits, were the means of gain or advantage open to them?—The people of India are as much a nation of shopkeepers as we are ourselves, they never lose sight of the shop, they carry it into all their concerns, religious and civil ; all their holy places and resorts for pilgrims are so many fairs for sale of goods of every kind ; religion and trade are in

India sister arts, the one is seldom found in any large assembly without the society of the other: It is this trading disposition of natives which induces me to think it impossible that any European traders can long remain in the interior of India and that they must sooner or later all be driven to the coast; what the European trader eats and drinks in one month, would make a very decent mercantile profit for the Hindoo for twelve; they do not therefore meet upon equal terms, it is like two persons purchasing in the same market, the one paying a high duty, the other paying none; the extra duty paid by the European is all the difference between his own mode of living and that of the Hindoo, it is impossible therefore that he can long carry on the competition upon such an unequal footing; he may for a time with a large capital carry on some new manufacture or improve some old one, such as indigo or sugar; the Hindoo will wait till he sees the success which follows the undertaking; if it is likely to be successful and to be permanent, he will engage in it, and the European must quit the field. There can be no doubt, I think, that this cause will in time operate so as to force all Europeans to the sea-coast, and I can have little doubt but that hereafter, when the Hindoos come to correspond directly with the merchants in England, that many of the agents now settled upon the coast will, from the same cause, the superior economy and diligence of the Hindoo, be obliged to leave India."

Yet in the face of these facts the

Christian natives of England were very anxious to elevate, out of purely philanthropic or altruistic motives, the condition of the heathens of India, by forcing their goods on them by means of free trade!

Those Britishers never ceased forcing their free trade on India. Thus Mr. J. A. Wadia, a well-known merchant of Bombay, in his written evidence before the *Indian Industrial Commission* of 1916-18, said :

"We must have complete confidence in the Government, which unfortunately we have not, and you have only to look at the past history of the English and Indian Governments. We had an import duty for revenue purposes. It was reduced, I believe in 1877, and abolished in 1882, by the House of Commons, and the late Mr. Gladstone, an out-and-out free-trader, said as follows :

'There is not a free-trade Government in this or in any country, which has not freely admitted that the state of the revenue is an essential element in the consideration of the application even of the best principles of free-trade. With regard to remission for import duties there seems to me to be something distinctively repugnant in the way it has been done in the time of India's distress and difficulty. What an invidious, almost odious picture of inequality we exhibit to the millions of India! The free trade doctrines which we hold so dear that we apply them against

the feeling of the Indian people in their utmost rigour and without a grain of mercy, disappear in a moment when it is a question of dealing with those whose interests and opinions we cannot lightly tamper with, *viz.*, the free colonies of the Empire.'" (Minutes of Evidence, Vol. IV, pp. 135-136).

But Christian England believing in Free Trade never admitted Indian goods into that island on that principle. We read in *The Modern Review* for February, 1918, p. 218, regarding Indian yarn in England :

"The following is an extract from a letter which Mr. Shapurji Saklatwala sent to the *Manchester Guardian* but which that paper did not, for obvious reasons, publish :

'On 25th March, 1916, the War Trades Department prohibited imports of Indian yarns of lower count into this country just when Indian yarn of lower count, 6 to 20, was beginning to make headway in place of the Continental yarn shut out by the War. The professed object was saving of freight space. It was pointed out to the Board of Trade that the raw cotton required to replace this yarn occupied greater freight space, and also demanded additional labour in this country at a time when shortage of labour was the predominant cry. The above representation was made by the Indian community of London as well as by some Manchester merchants, who could take an impartial view of the situation, as a distinct effort under disguise of a War

measure to shut out Indian yarn for the protection of some Lancashire spinners. These British petitioners in Manchester would be able to tell you that opposition to them came from a powerful party in Lancashire, who welcomed such protection, and who are still scheming to perpetuate it. The Manchester Chamber, the Blackburn Chamber, and the Operatives Unions did not then recoil at this retrograde measure. The Apostles of Free Trade and the upholders of even balance between India and England in the cotton trade adopted discreet silence, or a secret agitation in favour of maintaining a severe restriction on imports of Indian yarn, whereas Lancashire yarn has had a wide open door in India.' "

" *New India*, from which the above passage has been taken, writes :

'Manchester quietly welcomed that protective legislation against India, and how significant is therefore its cry for free trade! Where were the free traders hiding in 1916?' "

CHAPTER II

TRANSIT AND CUSTOMS DUTIES

The natives of England were put to great straits by Napoleon, who threatened to cripple, if not altogether destroy, their industries and commerce by blockading the ports of the Continent of Europe. They were anxious to create a market for their goods in India. With this object in view, they did all they could to impose such terms on the East India Company on the occasion of the renewal of their Charter in 1813 as were calculated to promote their interests. They covered their selfish motives under the cloak of philanthropy. But a couple of years after the renewal of the Charter in 1813, the battle of Waterloo was fought, which resulted in the capture and exile of Napoleon. This was of great importance to England. The English industries were no longer threatened with extinction. The blockade being removed from the ports of the Continent against English goods and a market being created for them in India gave

a great impetus to the industries and commerce of England. The Marquess of Wellesley had waged his wars against the native princes of India on the ostensible plea of removing centres of intrigue with the French. It was presumed that the French had been intriguing with the princes of India and as a measure of self-defence it was considered necessary by Wellesley to exterminate the native States. Whether such a step was just or proper, and whether in going to war against the Indian princes, the Marquess was giving effect to that clause of the Charter Act of 1793 which declared that "to pursue schemes of conquest and extension of dominion in India are measures repugnant to the wish, the honour and policy of the English nation," were questions which the Marquess never troubled to take into consideration.

But whatever justification might be urged in favour of the wars of the Marquess Wellesley, there was none for those of the Marquess of Hastings. The French were no longer supposed to be intriguing with the native princes of India. The English historians do not tell us, but the terms of the renewal of the East India Company's

Charter in 1813 do not leave any room to doubt, that the wars against, and annexation of the territories of, the native princes were prompted by the following two considerations, *viz.*,—(1) to extend the territories under the British supremacy in India in order to find a market for English goods, and (2) to bring hilly tracts under the jurisdiction of the Company in order to find suitable places for the settlement and colonization of the English which was sure to follow on their free influx into India.

The renewal of the East India Company's Charter in 1813 was designed to toll the death-knell of the Indian industries and to plunge Indians in poverty and misery. The merchants of England sent their agents and emissaries to learn the wants of the natives of the country and thus to enable them to successfully cater to their needs. Baboo Kissen Mohun Mullick, in a lecture delivered before the British Indian Association in June, 1871, said :

"Soon after the abolition of the Company's monopoly in 1813, agents of certain respectable Liverpool Houses set up here with a view to take an active part in the import and export business of this country. . . . I can speak from my

personal knowledge that Mr. Donald McIntyre, whose name must be familiar to you, busily employed himself for some years in collecting information regarding the cotton fabrics most in use and demand among the natives . . . . procured samples of all kinds and species of cloths in use among the various classes of natives both in Bengal and the Upper Provinces. . . . . White jaconets, cambrics, long-cloths (an imitation of a species of Madras cloth), Dhootees, scarfs, chintzes, lappets, Japan spots, and honeycombs were then imported on a large scale which would find a market as soon as landed, at highly remunerative prices, and the imports were multiplied as the consumption increased."

How the Free-Trade principle on which the Company's Charter was renewed in 1813 affected the export and import trade of cotton goods in Bengal will be evident from the following statement published by Sir Charles Trevelyan in 1834 :

Statement of Export of Indian and Import of European Cotton piece-goods and twist.

Years.		Cotton goods Exported.	Cotton goods Imported.	Cotton Twist Imported.
		Sicca Rs.	Sicca Rs.	Sicca Rs.
1813-1814	..	52,91,458	92,070	
1814-1815	..	84,90,760	45,000	
1815-1816	..	1,31,51,427	2,63,800	

Statement of Export of Indian and Import of European Cotton piece-goods and twist.

Years.	Cotton goods Exported.	Cotton goods Imported.	Cotton Twist Imported.
	Sicca Rs.	Sicca Rs.	Sicca Rs.
1816-1817 ..	1,65,94,380	3,17,602	
1817-1818 ..	1,32,72,854	11,22,372	
1818-1819 ..	1,15,27,385	26,58,940	
1819-1820 ..	90,30,796	15,82,353	
1820-1821 ..	85,40,763	25,59,642	
1821-1822 ..	76,64,820	46,78,650	
1822-1823 ..	80,09,432	65,82,351	
1823-1824 ..	58,70,523	37,20,540	
			1st year of importation.
1824-1825 ..	60,17,559	52,96,816	1,23,145
1825-1826 ..	58,34,638	41,24,159	75,276
1826-1827 ..	39,48,442	43,46,054	8,82,743
1827-1828 ..	28,76,313	52,52,793	19,11,205
1828-1829 ..	22,23,163	79,96,383	35,22,640
1829-1830 ..	13,26,423	52,16,226	15,55,321
1830-1831 ..	8,57,280	60,12,729	31,12,138
1831-1832 ..	8,49,887	45,64,047	42,85,517
1832-1833 ..	8,22,891	42,64,707	23,87,807

Sir Charles truly observed :

" Bengal piece-goods have been displaced in the foreign market to the extent of about a crore of rupees a year, and in the home market (cotton twist included) to the extent of about 80 lacs, being in all to the extent of about a crore and eighty lacs. Even the trifling quantity of piece-goods which is still exported is for the most part made from English twist."

In sympathising with the Bengal weaver, whose occupation was gone, Sir C. Trevelyan remarked :

"What is to become of all the people who were employed in working up this great annual amount (Rs. 1,80,00,000), unless we favour their transfer to other employments by giving freedom to those branches of industry in which India really excels?"

But the Christian Government of India did not move its little finger to save the starving millions whose occupation was gone. It was not the interest of the English to do so. No, they were glad and congratulated themselves that the import of English goods into India was increasing every year, from which they concluded that India was getting prosperous!

But while English goods were over-flooding the markets of India, because they were imported on the principle of Free Trade, how were the Indian Manufactures faring? Why, they were not imported into England without paying duties. What was considered good for the English goose was not considered so for the Indian gander. The table printed in the following pages, shows the

heavy duties which were levied on Indian manufactures when imported into England. It will be observed that the duties on some kinds of goods were lowered in later years, *after their manufacture had been nearly crushed.*

Appendix No. 5.—(*Of Affairs of the East* *Printed on* 16-8-32—

An account of the Specific Rates of Duty chargeable in showing the Alterations of Duty which have taken place Duty now chargeable on similar

Articles.	1812.			1813.			1814.	1819.	1823.	1824.
	£	s.	d.	£.	s.	d.	£. s. d.	£.s.d.	£.s.d.	£.s.d.
Arrow Root, per cent. on the value	68	6	8	81	2	11	62 10 0	0 0 2	0 0 2	0 0
								the lb. weight.		
And further per cent. on the value. ..	2	13	4	3	3	4	..	..	..	..
Canes. Walking, Mounted, Painted or otherwise :										
Ornamented, per cent. on value .	68	6	8	81	2	11	62 10 0	50 0 0	50 0 0	50 0 0
And further per cent. on value.	2	13	4	3	3	4	..	..	...	..
China Ware, per cent. on value ..	109	6	8	129	16	8	125 0 0	75 0 0	75 0 0	75 0 0
And further per cent, on value.	2	13	4	3	3	4	...	...	..	..
or Porcelain, Coloured. ..	109	6	8	129	16	8	125 0 0	75 0 0	75 0 0	75 0 0
or Porcelain, Plain	109	6	8	129	16	8	125 0 0	75 0 0	75 0 0	75 0 0
And further per cent. on values of the above. ..	2	13	4	3	3	4	..	..	..	..
Coir Rope, per cent. on value. ..	68	6	8	81	2	11	62 10 0	50 0 0	50 0 0	50 0 0
And further per cent. on value.	2	13	4	3	3	4	...	..	..	..
,, Old, and fit only to be made into Mats per cent. on value. ...	68	6	8	81	2	11	62 10 0	50 0 0	50 0 0	50 0 0

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England on all Articles, the produce of the *East Indies*, since the Year 1812 on those Articles; and the Rates of Articles imported from other countries.

1825.	1826.	1827.	1828.	1829.	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries — British Colonies.	Rates of Duty now chargeable on like articles the produce of other countries — Foreign Countries,
£. s. d.	£.s.d.	£,s.d.	£. s. d.	£.s.d.	£.s.d,	£.s.d.	£.s,d,	£. s. d.	£. s. d.
0 0 2	0 0 2	0 0 2	0 0 2	0 0 2	0 0 2	0 0 2	0 0 2	0 0 1 per cwt.	0 0 2
..	..	..	..	..	..	..	..	..	..
30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0
..	..	..	..	..	..	..	..	..	..
30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0
..	..	..	..	..	..	..	..	..	..
30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0
15 0 0	15 0 0	15 0 0	15 0 0	15 0 0	15 0 0	15 0 0	15 0 0	15 0 0	15 0 0
..	..	..	..	..	..	..	..	..	..
0 10 9 per cwt,	0 10 9	0 10 9	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0
..	..	..	..	..	..	..	..	..	..
20 0 0	20 0 0	20 0 0	0 5 0 per ton wt.	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0	0 5 0

Appendix No. 5

Articles.	1812.	1813.	1814.	1819.	1823.	1824.
	£. s. d.	£. s. d.	£. s. d.	£. s. d,	£. s. d.	£. s. d.
And further per cent. on value.	2 13 4	3 3 4	..	..	..	..
Cotton Manufactures, *viz.*, Muslins Plain, *Nankin Cloths, Flowered or Stitched, Muslins or White Calicoes, For every 100£ of the value.	27 6 8	32 9 2	32 10 0	37 10 0	37 10 0	37 10 0
And further ditto	10 0 0	11 17 6	5 0 0	..	..	..
Calicoes, Plain, White; Dimities, plain, white for every 100£ of the value.	68 6 8	81 2 11	62 10 0	67 10 0	67 10 0	67 10 0
And further ditto	3 6 8	3 19 2	5 0 0	..	..	..
Prohibited to be worn, or used, in Great Britain	..	..	..	..	..	..
Warehousing duty	3 6 8	3 19 2	5 0 0	..	..	..
Articles of Manufactures of Cotton wholly or in part made up, not otherwise charged with duty, for every 100£ of the value.	27 6 8	32 9 2	32 10 0	50 0 0	50 0 0	50 0 0

* By Treasury order, 22nd April, Nankin cloths paid £10 per cent. which rate was continued.

—(*Continued.*)

1825.	1826.	1827.	1828.	1829.	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries. British Colonies.	Rates of Duty now chargeable on like articles the produce of other countries. Foreign Countries.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
..	..	..	..	..	...	..	..	..	..
37 10 0	*10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0
..	..	..	..	..	..	..	..	..	..
67 10 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0
..	..	..	..	..	..	..	...	..	..
..	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0
..	..	..	..	...	..	..	..	..	..
20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0

* Per Act 1826.

Appendix No. 5

Articles.	1812.	1813.	1814.	1819.	1823.	1824.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Hair or Goat's Wool, Manufactures of, or of Hair or Goat's Wool and any other Material not particularly enumerated or charged with duty, per cent on the value.	68 6 8	81 2 11	62 10 0	67 10 0	67 10 0	67 10 0
And further per cent. on the value.	2 13 4	3 3 4	5 0 0	..	..	..
Horns, *viz.*, Buffalo Bull, Cow or Ox, the 100	0 4 8	0 5 6 Half	0 5 5	0 5 0 per cwt.	0 5 0	0 5 0
And further per cent on value	2 13 4	3 3 4	..	..	..	..
Lacquered Ware per cent. on value	68 6 8	81 2 11	62 10 0	62 10 0	62 10 0	62 10 0
And further per cent. on value.	2 13 4	3 3 4	..	..	..	..
Mats and Matting per cent. on the value.	68 6 8	81 2 11	62 10 0	50 0 0	50 0 0	50 0 0
Imported from a British Possession per cent. on the value.	68 6 8	81 2 11	62 10 0	50 0 0	50 0 0	50 0 0
And further per cent on the value.	2 13 4	3 3 4	..	..	..	..
Oil of Aniseed per cent. on value.	68 6 8	81 2 11	0 3 9 per lb. wt.	0 4 0	0 4 0	0 4 0

—(*Continued.*)

1825.	1826.	1827.	1828.	1829.	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries — British Colonies.	Rates of Duty now chargeable on like articles the produce of other countries — Foreign Countries.
£. s. d.	£.s.d.	£.s.d.	£. s. d.	£.s.d.	£.s.d.	£.s.d.	£.s.d.	£. s. d.	£. s d.
30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0
..	..	..	..	..	..	..	..	..	..
0 2 4	0 2 4	0 2 4	0 2 4	0 2 4	0 2 4	0 2 4	0 2 4	0 2 4	0 2 4
..	..	..	..	..	..	..	..	..	..
30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0
..	..	..	..	..	..	..	..	..	..
20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0
20 0 0	20 0 0	20 0 0	5 0 0	5 0 0	5 0 0	...	5 0 0	5 0 0	5 0 0
..	..	..	..	..	..	..	..	..	..
0 4 0	0 4 0	0 4 0	0 4 0	0 4 0	...	0 4 0	0 1 4	0 1 4	0 1 4

Appendix No. 5

Articles.	1812.	1813.	1814.	1819.	1823.	1824.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
And further per cent. on value.	2 13 4	3 3 4	..	..	..	..
Oil, Cocoanut ..	68 6 8	81 2 11	3 6 6 per ton by Treasury order 22 Aug. 1814.	3 2 6 per cwt. until 8th June.	0 2 6	0 2 6
And further per cent. on value.	2 13 4	3 3 4	..	0 2 0 after 8th June.		
Excise Duty per lb.	0 2 0	0 2 0	0 2 0	0 1 6	0 1 6	0 1 6
Silk Manufactures: *viz*., Bandannoes and all other Handkerchiefs, in pieces, not exceeding six yards in length.	Prohibited for Home use until 1826.				..	..
If more than six yards and not exceeding seven yards in length.	Do				..	..
and further for every *additional* length, not exceeding a yard.	Do				..	..

—(*Continued.*)

1825.	1826.	1827.	1828.	1829.	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries. British Colonies.	Foreign Countries.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
..				..	...	..	..	..	..
0 2 6	0 2 6	0 2 6	0 2 6	0 2 6	0 2 6	0 2 6	0 2 6	0 2 6	0 2 6
..				..	..	..	..	..	..
To 5th Apr. 0 1 6	Transferred to Customs.				..	..	...	..	
	30 0 0 per cent. on value.	0 6 0 per piece.	0 6 0	20 0 0 per cent. on value.	20 0 0	20 0 0	20 0 0		
..	30 0 0 per cent. on value.	0 7 0 per piece.	0 7 0	20 0 0 per cent. on value.	20 0 0	20 0 0	20 0 0		
	30 0 0 per cent. on value.	0 1 0 per yard.	0 1 0	20 0 0 per cent. on value.	20 0 0	20 0 0	20 0 0		

Appendix No. 5.

Articles.	1812.	1813	1814.	1819.	1823.	1824.
	£ s. d.	£. s. d.	£. s. d.	£. s d.	£.s.d.	£.s.d.
Silk Taffaties and other Plain or Figured Silks, not otherwise described.	Prohibited for Home use until 1826				..	..
,, The produce of and imported from a British Possession.	Ditto	ditto	ditto	ditto	..	..
,, Canton or China Crapes.	Ditto	ditto	ditto	ditto	..	..
If flowered or tamboured with silk.	Ditto	ditto	ditto	ditto	..	..
Manufactures of silk or of silk and any material, not otherwise charged with duty.	Ditto	ditto	ditto	ditto	..	..
Warehousing duties, chargeable on the above although prohibited for *Home Use*, per cent on the value.	3 6 8	3 13 2	3 0 0	..	..	..

—(*Continued.*)

1825.	1826.	1827.	1828.	1829.	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries. British Colonies.	Rates of Duty now chargeable on like articles the produce of other countries. Foreign Countries.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
..	30 0 0 per cent on value	0 10 0 per lb. wt.	0 10 0	30 0 0 per cent on value.	30 0 0	30 0 0	30 0 0		
..	30 0 0 per cent on value	0 10 0 per lb. wt.	0 10 0	20 0 0 per cent on value.	20 0 0	20 0 0	20 0 0		
..	30 0 0 p.c. on value	0 10 0 per lb. wt.	0 10 0	30 0 0 p.c. on value.	30 0 0	30 0 0	30 0 0	30 0 0	per cent
..	30 0 0 p.c. on value.	1 4 0 per lb. wt.	1 4 0	30 0 0 p.c. on value.	30 0 0	30 0 0	30 0 0		
..	30 0 0 per cent on value.	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0	30 0 0		
..	..	..	..	..	..	..	..		

Appendix No. 5

Articles.	1812			1813			1814.			1819.			1823.			1824.		
	£.	s.	d	£.	s.	d	£	s	d.	£	s	d,	£.	s.	d.	£	s.	d.
Soap, Hard, per cent on value	68	6	8	81	2	11	62	10	0	50	0	0	1	8	0 per cwt.	1	8	0
And further per cent on values	2	13	4	3	3	4		..			..			..			..	
Spirits *viz.* Arrak per gallon	0	1	8	0	1	11 3/4	0	2	1	0	2	1	0	2	1	0	2	1
Excise duty also until 1825.	0	19	1 127/232	0	19	1 127/232	0	17	0 6/8	0	17	0 6/8	0	17	0 6/8	0	17	0 6/8
Sugar* the cwt	1	13	0	1	13	0	2	0	0	2	0	0	3	3	0	3	3	0
And further per cent. on value.	1	0	0	1	0	0		..			..			..			..	
Tea, per cent on the value	6	0	0	6	0	0	6	0	0	All excise until 8th June £63 Custom & Excise after 8 June				..			..	
Excise	90	0	0	90	0	0	90	0	0									
An Excise Duty also until 1819 when the Duty was wholly collected by the Excise :																		
On all Tea sold at or under 2s. per lb.		..			..			..		96	0	0	96	0	0	96	0	0
Ditto above 2s. per lb.		..			..			..		100	0	0	100	0	0	100	0	0
Tortoise shell, rough, per lb.	0	3	4	10	3	11 1/2	0	3	11 1/2	0	4	0	0	4	0	0	4	0
Manufactured per cent on value	68	6	8	81	2	11	62	10	0	50	0	0	50	0	0	50	0	0
And further per cent on values	2	13	4	3	3	4		..			..			..			..	

* Note—A portion of the above duties on sugar was suspended under the authority of the Lords of the Treasury according to the average prices published in the Gazette.

—(*Continued.*)

1825	1826.	1827.	1828.	1829	1830.	1831.	1832.	Rates of Duty now chargeable on like articles the produce of other countries. British Colonies.	Foreign Countries.
£. s. d.	£. s d.	£. s. d.	£. s. d.	£. s d.	£. s. d.	£ s. d.	£. s. d.	£. s. d.	£. s. d.
1 8 0	4 10 0	4 10 0	4 10 0	4 10 0	4 10 0	4 10 0	4 10 0	1 8 0	4 10 0
..	..	..	..	..	..	..	..	..	..
0 17 6 6/8	1 2 6	1 2 6	1 2 6	1 2 6	1 2 6	1 2 6	1 2 6	0 9 0	1 2 6
Wholly	Customs.								
3 3 0	3 3 0	3 3 0	3 3 0	3 3 0	3 3 0	3 3 0	3 3 0	1 4 0	3 3 0
..	..	..	..	..	..	..	..	..	..
..	..	..	..	..	..	..	..	..	..
..	..	..	..	..	..	..	..	..	..
96 0 0	96 0 0	96 0 0	96 0 0	96 0 0	96 0 0	96 0 0	96 0 0	Prohibited.	
100 0 0	100 0 0	100 0 0	100 0 0	100 0 0	100 0 0	100 0 0	100 0 0	ditto	
0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	0 2 0	0 1 0	0 2 0
20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0
..	..	..	..	..	..	..	..	..	..

every four months until 1826, when the suspension closed.

Appendix No. 5

Articles.	1812.	1813.	1814.	1819.	1823.	1824.
	£ s. d	£ s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
Wool (Cotton Wool) ..the 100 lbs	0 16 11	0 16 11	0 16 11	0 8 7	6 0 0	6 0 0
Goods, Wares and Merchandize, being either in part or wholly manufactured, and not being enumerated or described, or otherwise charged with Duty, and not prohibited to be imported into or used in Great Britain:				until 5th January 1920, after 5th January 1820 £26 per cent on value.	per cent on value.	
For every 100£ of the value.	68 6 8	81 2 11	62 10 0	50 0 0	50 0 0	50 0 0
Goods, Wares and Merchandize, not being either in part or wholly manufactured, and not being enumerated or described, or otherwise charged with Duty, and not prohibited to be imported into or used in Great Britain:						
For every 100£ of the value	26 13 4	3 13 4	31 5 0	20 0 0	20 0 0	20 0 0
And further per cent on the value	2 13 4	3 3 4	..	..	..	..

—(*Concluded.*)

1825.	1826.	1827.	1828	1829.	1830.	1831.	1832	Rates of Duty now chargeable on like articles the produce of other countries. British Colonies.	Foreign Countries.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	6 0 0	0 5 10 the cwt.	0 5 10	0 0 4	0 5 10
20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0	20 0 0
10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	10 0 0	5 0 0	5 0 0	5 0 0
..	..	..	..	..	..	..	..	..	..

Some of the natives of Bengal who were manufacturers and dealers in cotton and silk piece-goods, the fabrics of Bengal, presented a petition, dated Calcutta, 1st September, 1831, to the Right Honourable the Lords of his Majesty's Privy Council for Trade, etc. This petition was "signed by 117 natives of high respectability." They wrote :

"That of late years your petitioners have found their business nearly superseded by the introduction of the fabrics of Great Britain into Bengal, the importation of which augments every year, to the great prejudice of the native manufacturers.

"That the fabrics of Great Britain are consumed in Bengal without any duties being levied thereon to protect the native fabrics.

"That the fabrics of Bengal are charged with the following duties when they are used in Great Britain :

"On manufactured cottons, 10 per cent.

"On manufactured silks, 24 per cent.*

"Your petitioners most humbly implore your Lordships' consideration of these circumstances, and they feel confident that no disposition exists in England to shut the door against the industry of any part of the inhabitants of this great Empire.

* These duties were much heavier before. They seem to have been lowered, when the Indian manufactures had been nearly crushed, and so there was no possibility of their competing with the English ones.

"They, therefore, pray to be admitted to the privilege of British subjects, and humbly entreat your Lordships to allow the cotton and silk fabrics of Bengal to be used in Great Britain 'free of duty,' or at the same rate which may be charged on British fabrics consumed in Bengal.

"Your Lordships must be aware of the immense advantages the British manufacturers derive from their skill in constructing and using machinery, which enables them to undersell the unscientific manufacturers of Bengal in their own country; and although your petitioners are not sanguine in expecting to derive any great advantage from having their prayer granted, their minds would feel gratified by such a manifestation of your Lordships' goodwill towards them; and such an instance of justice to the natives of India, would not fail to endear the British Government to them.

"They, therefore, confidently trust, that your Lordships' righteous consideration will be extended to their British subjects, without exception of sect, country or color."

This petition, signed by 117 respectable natives, was unsuccessful. It was unsuccessful, because, if the prayer of the petitioners had been granted, it would not have promoted the 'interest and happiness' of the natives of India, for in the Charter Act of 1813 it was laid down that it was the duty of England to promote the happiness of the

people of India! According to Sir Lepel Griffin and many other Englishmen of his way of thinking, England stands in the relation of Providence to the inhabitants of India. So England knows what is good for India and what is calculated to promote the interest and happiness of the natives of India!

When the above-mentioned petition was unsuccessful, the London merchants connected with the *East India* Trade, to show their philanthropy, addressed a letter to the Court of Directors of the East India Company, dated 13th October, 1832, in which they wrote :

"We beg leave to lay before your Honourable Court a case which appears to us to be one of considerable hardship to the Indian manufacturers, and to the Indian export merchants, in order that your Honourable Court may examine into the same, and grant the relief we solicit on their behalf and our own, as connected with the Indian Trade.

"2. Piece-goods manufactured in Bengal, pay upon their entrance into Calcutta an inland duty of 2½ per cent., and no drawback thereof is allowed upon exportation to the United Kingdom or elsewhere ; whilst upon indigo, cotton, hemp and tobacco, the whole inland duties are drawn back on exportation to the United Kingdom.

"3. It may be presumed that this distinction was adopted at a time when the latter articles were considered the staple productions of India, and it was deemed expedient to the growers, and when the justice and policy of protecting the native fabrics was not so apparent ; *few, if any, British manufactures being then imported into India.*

"4. But now, when the British goods are imported largely into that country, on paying a duty of 2½ per cent. only, and whilst the Indian manufactures are subjected to a duty of 20 per cent. on silk and 10 per cent. on cotton goods, upon their importation into the United Kingdom, it does appear to us, not only reasonable and fair, but a measure of wise policy towards the natives of India, to reduce, as much as may be practicable, so great an inequality in duties, which give so marked a preference in favour of British goods ; and no relief could be more immediately applied, with so little sacrifice, as the occasion of the drawback of the inland duty of 2½ per cent. on piece-goods exported from Calcutta to the United Kingdom.

"5. In proposing this course to your Honourable Court, we beg leave to call its attention to the policy of the British Legislature, by which a bounty is allowed on silk goods manufactured in the United Kingdom (whether manufactured from raw, or from foreign or British thrown silk), upon their exportation, of 3s. 6d. per lb. on all articles valued at 14s. per lb. and upwards, or say 25 per cent. on the 14s. being

the supposed equivalent for the duties previously levied on the materials thereof and we trust that the Honourable Court will see the justice, under the peculiar circumstances of India, of following the same policy towards the native manufacturers of India, that the British Parliament has adopted towards British manufacturers.

"6. An application to the British Government to reduce the duties on the cotton and silk fabrics of India imported into the United Kingdom has not been successful, though signed by a very numerous body of the most respectable natives, and this disappointment would, we think, tend to enhance the merit of the concession now sought for.

"7. Having thus stated the chief points on which we rest the expediency of the measure we propose, we conclude by respectfully praying your Honourable Court to give early instruction to your Governments abroad to allow the inland duty of 2½ per cent. on piece-goods, the manufacture of British India, to be entirely drawn back upon their exportation to the United Kingdom."

Well, philanthropy does not go hand in hand with shopkeeping. So these shopkeepers who were signatories to the above letter knew what they were about when they indited it. It was not all philanthropic or altruistic considerations which have led them to recommend

"to allow the inland duty of 2½ per cent. on piece-goods, the manufacture of British India, to be entirely drawn back upon their exportation to the United Kingdom."

But the above letter met with no better fate than the petition of 117 respectable natives of Bengal.

The authorities were determined to destroy Indian industries by all means in their power. Indian imports were subjected to heavy duties in England. But it may be argued that England and the countries to which Indian goods were re-exported from England, were not the only markets for Indian manufactures, and that their extensive native land gave to Indians a sufficiently large market. We, therefore, proceed to show that in India itself other means were employed to crush manufactures and dishearten the manufacturers. The inland transit and customs duties were imposed on Indian manufactures with the object, it would seem, of strangling home industries. It was due to the exposure of the abuses and malversation of the customs officers that the Indian Government was compelled to take notice of the matter. Mr. Alexander Rose, when a member of the Supreme Council during the

Governor-Generalship of Lord Bentinck, mooted the question of the abolition of these duties. Sir Charles Trevelyan was appointed to report on the matter. The Report which he drew up was a very able State document referring to which Macaulay wrote :

"I have never read an abler state paper, and I do not believe that there is, I will not say in India, but in England, another man of twenty-seven who could have written it."

The nature of the transit duties and internal customs has been very well described by the Hon'ble Frederick Shore, son of Lord Teignmouth, in one of his "Notes on Indian Affairs" in reviewing Sir Charles Trevelyan's Report. He writes:

"The native system of transit duties and internal customs, partakes more of the nature of a toll. It is charged at so much per ox-load, pony-load, camel-load cart-load, etc., without reference to the value of the goods. It is, generally speaking, so light, that there is no temptation to smuggle ; there is no pretext for search on the part of the Custom-house officers, no pass is required ; there are no forms to under-go ; . . . . These tolls were probably payable every forty, fifty or sixty miles ; so that, in reality, goods were subject to duty in proportion

to the distance they were carried, which was paid by instalments as they proceeded. . . . .

"The English, strongly imbued with that prejudice which is so generally prevalent, that every native custom or system, must, of course, be inferior to what should be introduced from England, in their wisdom, condemned the native arrangement *in toto*, and resolved to devise one which should free the merchant from these vaxatious tolls. . . . . The principle on which the English system was formed was, to take the whole duty at once and furnish the merchant with a pass, (called rowannah). which should free him from all payment to the end of his journey. In the first place, it might have been supposed that as goods were to pay the same duty whether they were destined for a long or a short journey at least, the duty would have been fixed at the average of what was paid under the native toll system for greater and less distance; but no;—the standard fixed was the aggregate of all the tolls levied on goods proceeding to the greatest distances : thus, under the name of a consolidation, making an immense increase of the duty. This was the first specimen which the merchants experienced of the superior benefits of the English Government, imposing a much higher tax on their merchandise than they had ever paid before.

"The next point is the pass, or rowannah, which the merchant procures, when he despatches his goods, which is productive of immense annoyance. Suppose a merchant from Futtehghur sent off a boat-load of goods to Calcutta ; on

their arrival at that city, unless he could dispose of the whole boat-load in one lot, the pass he had received at the former place was no longer of any use to him; he was obliged to carry it to the Custom-house, and exchange it for others adapted to the separate portions of his cargo, which he had disposed of to different people ; for this, he is charged an additional duty, of half a rupee per cent.; but this is trifling, compared with the loss of time spent in attendance at the Custom-house, and the obstruction to the free sale, and the removal of the merchant's goods. A pass is only in force a year ; should the goods remain unsold at the expiration of that period, the merchant can procure an exchange or renewed pass ; but he must give up the old pass before the expiration of the year, and prove the identity of the goods ; and he then will receive his renewed pass on payment of half a rupee per cent. If he fails, he must pay the duty over again ; and indeed, the difficulty of proving the identity of the goods, and the delay in the inquiry at the Custom-house and the consequent loss of time to the merchant is often so great, that many of them prefer, as a less evil, at once to pay the duty over again. . . . . There are many other difficulties caused to trade by this pass-system, one only of which I shall specify. In many cases, it is impossible for merchants to pay the duty and take out passes : when they are going to fairs and markets (which are often held at places fifty or even eighty miles from a Custom-house), they cannot tell beforehand what

quantities of goods they may purchase, or sometimes of what description ; for, on reaching the fair they may find certain goods which they had not previously thought of, very cheap ; and, therefore, may buy a considerable quantity : they leave the fair with their purchases, intending honestly to pay the duty at the next Custom-house, but unfortunately before they reach it, they must pass within the limits of one of its outposts (chokies), and according to law, the goods are liable to confiscation, for passing a choky unprotected by a rowannah."

Then Mr. Shore refers to the search-houses and the right of search being a considerable impediment in the way of trade. He writes:

"To prevent smuggling, it was deemed necessary to establish an immense number of these search-houses, each containing an establishment whose duty it was to compare the goods with the passes. By law, no search-house or choky was to be fixed at a greater distance than four miles from a Custom-house, ... But in practice the law was quite disregarded, and these search-houses were spread all over the country, sometimes at sixty or seventy miles distant from a Custom-house. . . . . We will now consider the nature of the powers vested in the officers stationed at these posts. They possessed the right of search in the fullest extent and were supposed to ascertain the species of goods, quantity, number and description of packages,

value of the goods, etc., and that these agree with what is stated in the pass. . . . . It is evident that the delay and expense to the merchant would be so great, that, were the law fairly enforced by every search-officer, it would put an entire stop to the trade of the country.

"It has often been asked, why do not those who are subject to such extortions bring forward their complaints? Simply because they would lose rather than gain. They would find it impossible to obtain any redress, or only at such an expense and delay, that the remedy would be worse than the disease.

"We hear loud complaints of the impoverishment of the people, the falling-off of the internal trade, and the decline instead of the increase of manufactures. Is it to be wondered at? Could any other result be anticipated from the intolerable vexation to which all merchants are exposed by our internal customs? Mr. Trevelyan observes, that 'the profession of the merchant in the interior of the country is both unpleasant and disreputable, on account of the complete state of dependence in which the most respectable people are placed, on the meanest Custom-house officer.' 'When respectable people in the provinces who have capital lying idle in their hands, and who probably complain of the difficulty of finding employment for it, are asked why they do not engage in trade, they almost invariably reply, that they cannot submit to supplicate every low Custom-house officer on four rupees a month, who has the power of detaining their goods, under

pretence of searching them.' . . . . Native gentlemen at Delhi have, for the sake of employing their capital, engaged in the shawl-trade with Benares. The result has always been the detention of their goods at some Custom-house, and their giving up the pursuit, after having suffered heavy losses. The poor natives of India submit to all this, as they do to every other extortion and oppression which they suffer at our hands because they look upon redress as hopeless ; but hear the bitter complaints which were made to Lieutenant Burnes (who knew nothing of our Custom-house system) by the merchants of Bokhara. They actually declared that the vexatious annoyances and extortion practised on merchants in the British-Indian provinces, were infinitely greater than they experienced in Russia, Peshawar, Kabool, or Bokhara! . . . .

"The effect of this system upon manufactures, is to discourage all on a large scale, and to cause the whole of different processes to be performed in a petty way, on the same spot, however inferior those employed may be for some parts of the work, and however unsuited the locality may be. Where business is carried on on a large scale, the materials must, of course, often be brought in small quantities from a considerable distance, so that the great manufacturer has to pay a double duty,—once on the raw material, and again on the finished article, while the small manufacturer and dealer, who goes not beyond the line of chokies, either tc procure the raw material, or to sell his goods,

avoids the payment of all duties. Shawls are, by our extraordinary system, made to pay a double duty, both together amounting to 20 per cent., leather pays three times, altogether 15 per cent., cotton four times, before it is made into cloth, altogether 17½ per cent. So many articles are liable to double and treble duty, because the same pass which has been taken out for the raw materials does not correspond with the manufactured article."

Then in a postscript, Mr. Shore adds:

"We have for years been vaunting the splendid triumph of English skill and capital in carrying cotton from India to England and, after manufacturing it there bringing the cloth to India, and underselling the natives. Is this any way surprising under such an intolerable system as is above described ; and while the staples of India are almost proscribed at home? In fact, if this be continued much longer, India will, ere long, produce nothing but food just sufficient for the population, a few coarse earthen ware pots to cook it in, and a few coarse cloths. *Only remove this incubus and the tables will very soon be turned.* The other is the great self-complacence with which we talk of the confidence reposed by the people in our government, judging from the large sums which they invest in the Government funds. What are they to do with their money? . . . . Government, in their ignorance, have done all they can to annihilate trade and manufactures, which they will, unless they change their

measures, accomplish in a few years more (the number of boats laden with goods which used to leave Furrukhabad twelve or fourteen years ago was at least *treble* what it is at present). Five or even four per cent. is better than nothing, but it needs not the gift of prophecy to foresee, that . . . . if the landed tenures in the North-Western Provinces were placed on a footing of security and if trade and manufactures were tolerated,—they do not require *encouragement*, but only to be exonerated from the present customs and duties,—not only would Government be unable to borrow at such low interest, but the price of the existing funds would speedily fall."

It is true that the inland transit duty was abolished afterwards, but not till the industries in the British Indian provinces were so much crippled that there was no hope of their revival again.

While the Christian natives of England were congratulating themselves on the expansion of their export trade to India following the abolition of the monopoly of the East India Company in 1813, what was the state of affairs regarding the Export Trade of Indian cotton and piece-goods to England? This question will be answered by the following table:

Years.	Bales.	Pieces.
1814-15	3,842	
1818-19	536	
1823-24	1,337	106,516
1824-25	1,878	167,524
1825-26	1,253	111,225
1826-27	541	47,572
1827-28	736	50,654
1828-29	433	32,626
1829-30		13,043*

The number of cotton piece-goods went on decreasing year after year and this state of affairs was not indicative of the material prosperity of the natives of Hindustan.

* P. 883, Appendix to Report from Select Committee on the Affairs of the East India Company, Vol. II, part 2 (London, 1832).

CHAPTER III

THE EXPORT TRADE OF INDIA

Sufficient attention has not been directed to the export trade of India. The export trade mainly consists of raw materials. For the proper development of Indian industries this export of raw materials from India should also be prevented. It has not benefited India in the least. India very largely exports food grains, for example, wheat, rice and pulses. By their export their prices have gone up and thus scarcity is severely felt in India in years of drought. The export trade is to a certain extent responsible for the famines which so frequently devastate large tracts of the Indian continent. The object of every civilized government is to reduce the struggle for existence, as far as possible, and not to make it keener. Now the export of food materials has just the opposite effect. Therefore, no government which exists solely for the good of the people will encourage export of food materials. But it is quite a different thing with the Government of India. The interests

of India are sacrificed for the benefit of the people of England. In his work on *National Life and National Character*, Mr. Pearson writes :

"The corn of India has been transported at unremunerative rates upon Government lines, in order that the food of the people might be cheapened." . . .

Yes, it has been "cheapened"; but "the people" referred to here are the people of England, not those of India. When England was an agricultural country, there were corn laws meant for the benefit of the proper population. It is necessary to refer to these corn laws to show how the State had the interests of its subjects at heart. Lecky writes :

"The older policy of the country was to prohibit absolutely the exportation of corn, but with the increased production of agricultural interest, this policy was abandoned at the end of the fourteenth century, and after more than one violent fluctuation, a law of Charles II established a system which was in force at the Revolution. Under this law free exportation was permitted as long as the home price did not exceed fifty-three shillings and four pence a quarter ; while importation was restrained by prohibitory duties until that price was attained in the home market,

and by a heavy duty of eight shillings in the quarter when the home price ranged between fifty-three shillings and four pence and eighty shillings. At the Revolution, however, a new policy was adopted. The duties on importation were unchanged, while exportation was not only permitted but encouraged by a bounty of five shillings in the quarter as long the home price did not exceed forty-eight shillings. Arthur Young has devoted a considerable space to the subject of the corn laws, and he considers the English law one of the highest examples of political wisdom. The system of an absolutely free corn trade which prevailed in Holland, would, he maintained, be ruinous in a country which depended mainly on its agriculture. The system of forbidding all exportation of corn, which prevailed in Spain, Portugal, and many parts of Italy, and during the greater part of the century in France, was altogether incompatible with a flourishing corn husbandry. Prices would be too fluctuating—in some years so low that the farmers would be ruined, in others so high that the people would be starved. It had been 'the singular felicity' of this country to have devised a plan which accomplished the strange paradox of at once lowering the price of corn and encouraging agriculture. 'This was one of the most remarkable strokes of policy, and the most contrary to the general ideas of all Europe, of any that ever were carried into execution' and 'it cannot be doubted,' he said, 'that this system of exporting with a bounty has been of infinite

national importance.' Burke declared that experience, the most unerring of guides, had amply proved the value of the corn bounty as a means of supplying the English people with cheap bread."*

Should not the Government introduce the provisions of the corn laws in India for the purpose of supplying the Indian people with cheap bread? A government which has any sympathy for its subjects, should not hesitate to do so. India is mainly an agricultural country now, and the laws which proved so beneficial to England when that country was an agricultural one, are sure to be equally so in the case of India also.

In years of drought and famine, instead of food grains, other raw materials are exported from India which are also detrimental to India's interests. These raw materials consist of bones and hides of cattle which die in large numbers in times of scarcity. This export trade in hides has greatly affected the leather industry of India. The export of bones takes away out of the country one of the best manures available.

* Lecky's History of England in the Eighteenth Century. pp. 245-247.

Then again, the export of cotton has the tendency of making it dear in this country, and thus its export hampers the development of the cotton industry in India. Cotton seed yields a valuable oil and is a good food for cattle. Its export, therefore, involves great loss.

Thus we see that the export trade of India, as it consists of raw materials only, does not benefit India in any way. No agricultural country, least of all India, requires any markets in any foreign country for her raw products. No, on the contrary, all these raw products are needed to be retained in India for the proper development of her industries. Had India been an independent country, she would have prevented her export trade by legislation. Why, England had to resort to this procedure for the development of her industries. Lecky writes :

"The offence of 'owling,' or transporting English wool or sheep to foreign countries, was treated with special severity, as it was supposed to assist the rival of woollen manufactures of the continent, and the penalties against this offence rose to seven years' transportation.

"Penalties but little less severe were exacted against those who exported machines employed

in the chief English industries, or who induced artificers to emigrate; and any skilled workman who carried his industries to a foreign market, if he did not return within six months, after being warned by the English ambassador, was declared an alien, forfeited all his goods and became incapable of receiving any legacy or gift."*

But the British Government will not certainly do that for India which proved advantageous to the development of industries in England. On the contrary, it has been doing everything which may facilitate the export of raw materials. Heavy Government balances at the Imperial Bank of India are not made available to Indian joint-stock banks for promoting of Indian industries and trade but to foreign exchange banks for facilitating the foreign trade of the country. How far that serves the best interests of India is discussed below.

Does Foreign Trade Benefit India ?

Syed Mohammad Hossain, M.R.A.C., in his very valuable pamphlet on "Our difficulties and wants in the path of the progress of India," published in 1884, wrote :

* Lecky's History of England in the Eighteenth Century. Vol. VII, p. 303.

"It is a pity that our well-wishers, without considering the circumstances of the people and the density of the population, conclude that the encouragement of trade (in its present state), and increasing the means of communication will do good to India. They ought to consider that England, with a population of only 390 per square mile, cannot produce enough for the consumption of its people, and has to depend upon the produce of other countries In 1882 of wheat alone (omitting grain of all other kinds and meat) no less than 64,171,622 cwts. were imported from other countries into England, and of these 8,477,479 cwts. came from India—(*Journal of Royal Agricultural Society*, 1883, page xix); while India, with a population 416 per square mile, is expected to enlarge her trade by exchanging her food for mere fancy articles and luxuries. We should go further in detail on this point, and contrast briefly the agricultural condition of both countries. According to the Census Report, the North-Western Province (which we have taken for our illustration) contains a cultivated area of 540,420 square miles which is equal to 34,586,880 acres; and the population being 44,107,869, the average cultivated area per head is ·78 (From xxi, page 2). The cultivated area of the United Kingdom is 50,432,988, and the population is 35,278,999 (the Financial Reform Almanack, 1882, pages 75 and 1357), or 1.42 acre per head. Now, with all her improved and scientific agriculture, with the outlay of large capital with artificial manures and the aid of machinery, with

an average yield of 30 bushels per acre England cannot support her people; yet India, with her miserable modes of farming, with such insignificant farms and implements, with a scarcity of measures and means of irrigation, with an average yield of only 13 bushels (as per famine Report) or 18.7 bushels (per "Oudh Gazetteer") per acre, is expected to prosper by her trade, *viz.*, exportation of grain and by the increase of the means of communication. The result of this trade is that when a bad year comes, or if in any year there is a falling off in the quantity of rainfall, famine threatens the country, thousands of people helplessly die, and the whole affairs of the country are disturbed. In ordinary seasons, during four months of the year—May, June, December, and January, the lower class of peasants support their existence by living on wild herbs and wild grass seeds, the Mango and Mohwa fruit, or taking loans of grain from grain dealers.**

According to the Famine Commission Report, (Part i, p. 50) in a season favourable throughout India, that is if there be no local requirements in any part of the country, owing to famine or a bad year, India has a surplus of 50,000,000 tons of grain for exportation from her produce. To make up this amount, Bengal is estimated to contribute the largest quantity, *i.e.*, 1,200,000 tons, and the other eight provinces an average of less than 30,000 tons. Of these our Province (N. W. P., which is taken for our example), can send from its produce, after the consumption of its population, 60,000 tons. Now we can calculate how

much the Province could enrich its population simply by exporting its surplus food. It has been proved above that the Province has nothing from its manufactory and industry to send abroad; and, as a matter of fact, besides a little opium and indigo, it does not grow any more valuable thing, such as tea, coffee, or even cotton to such an extent that the produce need be taken into consideration. After all, then, there is nothing else left but grain for our trade. Now, for the sake of example, suppose that the Province yields, in an average year, a surplus of 660,000 tons, and that there is no increase of population to affect the surplus quantity, and that the whole quantity consists exclusively of wheat, and that it is sent to the market of extreme profit, say to London. Suppose further that our wheat is, in quality and in price equal to the American and Russian wheat in the market and that the demand for and the price of wheat (which has an inclination to fall) also remained as it is at present, and let the rate of exchange be taken as not worth-considering, then I say, under all these favourable circumstances, our 660,000 tons of wheat, which are equal to 1,478,400,000 lbs., at the present average rate of (round number), Rs. 27 equal to 45s. 1d. per quarter (or 500 lbs.), would be worth in round numbers Rs. 79,900,000. Excluding all other charges, such as commission on both sides, local freight, etc., the mere carriage of this quantity from India at the rate of 40s. or Rs. 24 per 2,000 lbs. amounts to Rs. 17,740,800. Now after deducting this sum from the total value

of the wheat, our net income is Rs. 62,159,200. The population being 44,107,869, therefore income from this trade per head per annum including cost and profit, is, at most, 1 rupee and 7 annas equal to 2s. 4d."

N. B.—The question of the charges of local carriages needs a full discussion in two respects:

"(1) The heavy rate, which is fully treated by Major Bàring in his resolution, in which he proves that carrying 1 ton of wheat for 600 miles costs in India as much as it costs in America for carrying the same quantity more than 1,000 miles, etc.

"(2) Owing to the railways being made with foreign capital our country derives very little benefit from what we pay for carriage.**

"The reader should judge for himself, and consider whether this sort of trade has a tendency to increase the material prosperity or to cause the underfeeding of the people." (pp. 59-61).

CHAPTER IV

THE RUIN OF INDIAN MANUFACTURES

The Board of Control of the East India Company proposed a list of queries upon subjects relating to the Trade with India. The queries were eleven in number and the list was conspicuous by the absence from it of any query relating to the welfare of any Indian manufacture. The answers to these queries are so instructive and they throw such sidelights on the ruin of Indian manufactures that extracts from them are given below.

The first query was :

> " What facilities have been afforded to persons trading with India, since the opening of the trade in 1814, by the repeal or modification of Duties or of Regulations in India injuriously affecting the Commercial Transactions of individuals?"

Mr. Larpent's answer to this query ran as follows :

> " The import duties on the manufactures have been reduced to 2½ per cent. *ad valorem*, and many of the staple articles admitted free of duty.

"Regulations have been made to prevent, if possible, the injury sustained by the private merchant when in competition with the Company in the provision of silk, and the purchase of other articles.

"Transit duties have been modified and drawn back in many instances.

"Permission is given under the Regulation of the 7th May, 1824, then applicable to coffee, subsequently extended to indigo, to British subjects to hold lands in their own names on leases for 60 years."

Mr. Sullivan in replying to this query, said :

"Since the opening of the trade in 1814, all inland duty on cotton has been taken off; when exported to China the duty has been lowered to five per cent., and if the cotton is exported to England, no duty whatever is levied.

"The Honourable Company's cloth investment has been discontinued for some time, all the weavers to the southward have been at the private merchants' command, to make up any quantity of cloth they might wish for."

One Mr. Crawford in reply wrote :

"With respect to duties, the Statute of 1813 enacted, that no new tax should be imposed without the sanction of the home authorities. A new schedule of reduced duties was accordingly

transmitted from England, and passed into a law by the Indian Government in 1815. Fortunately for the commercial intercourse with Great Britain, the rate of duties then adopted has in general been steadily adhered to."

The Glasgow Chamber of Commerce wrote:

"The admission of wollens, metals and marine stores into India, free of duty, has undoubtedly given great facility to the trade in these articles."

Thus the replies to the query show how the Charter Act of 1813 benefited the natives of England in their commercial transactions with India.

The second query was a very important one and its answers cover more than eleven pages of folio volume of the Report. This query ran as follows:

"To what extent has the Trade with India increased since 1814, and with regard to the Exports from Great Britain, what degree has the increase consisted of British Staples?"

The answers given to this query contain several useful tables showing the increase of Exports of British goods into India.

From Parliamentary Papers, 9th February, 1830, No. 37, the amount of value of

British manufactures exported in 1814-15 to all parts of India was in

		£
1814:	East India Company	826,558
	Private Trade	1,048,132
		1,874,690

But according to Mr. Larpent the Export Trade of the United Kingdom to India, in the year 1830, was £3,032,658, or an increase of nearly 62 per cent. in 16 years.

In reply to the above query, Mr. Bracken wrote:

"It has increased very considerably, particularly with Bengal and Bombay:

	Imports.	Exports.
Bengal	£	£
1813—14	877,917	2,767,624
1827—28	2,232,725	4,898,018
Bombay		
1813—14	92,698	305,154
1827—28	819,693	508,592

"In the year 1828-29 there was a still greater increase at Bombay; the imports amounting that year to £781,248, and the exports £833,767. In the same year there was a decrease in the whole import and export trade of Bengal with Great Britain of £421,364, occasioned by the decreased exports of the East India Company, otherwise

there would have been an augmentation; the private trade having increased £260,604.

"The trade of Great Britain with Madras has also increased. but not to the same extent.

Madras	Imports. £	Exports. £
In 1813—14	271,749	436,513
,, 1827—28	258,740	715,873

"On the increased exports from Great Britain to India since 1814, a large proportion is formed of British staples and manufactures, embracing British capital and industry. The following particulars are not unworthy of attention, more especially cotton twist :

"Statement showing the value of the Principal Articles of Export (from England) to India in 1814 and 1828.

Articles.	1814 £	1828 £	Increase. £
Beer and Ale ..	50.022	99,037	49,015
British Cotton Manufacture	109,480	1,621.560	1,512,080
British Cotton Twist Manufactures ..	7	388,888	388,881
Earthenware ..	10,747	26,625	15,878
Glass	68,443	114,978	46,535
Hardware and Cutlery ..	26,883	78,765	51,882
Iron, bar and bolt ..	107,927	155,038	47,111
,, cast and wrought	55,154	102,629	47,475
Leather and Saddlery ..	21,637	46,187	24,550
Linen Manufactures ..	23,434	36,120	12,686
Machinery	6,043	103.676	97,633
Spelter (1)	Nil.	59,486	59,486
Stationery	38,494	84,735	46,241"

In answering this query, Mr. Crawford wrote:

"The actual exports of 1814 were £1,403,362, so that in 14 years' time the increase was more than three-fold, not to say that the prices of 1814 were high war prices, and those of 1828 low peace prices."

"The exports have generally consisted of British staple manufactures, and the following short enumeration will show the increase between 1814 and 1828.

"(1) In 1827, the exportation of spelter to Calcutta was much larger—£104,822.

Commercial Year.	Total value. £	Copper. £	Iron. £	Woollens. £	Cotton goods. £	Twist. £
1813–14	5,376,775	78,581	230,547	184,521	91,835	Nil.
1814–5	4,099,165	396,323	278,746	44,712	43,346	...
1815–16	5,752,886	411,884	455,078	122,611	261,846	...
1816–17	8,051,112	542,267	583,610	238,616	313,102	...
1817–18	13,562,962	891,601	821,433	574,184	1,120,909	...
1818–19	15,914,495	1,130,329	617,089	735,611	2,655,192	...
1819–20	8,633,573	1,835,112	333,935	911,618	1,585,830	...
1820–21	11,320,797	2,441,403	632,390	1,719,263	2,555,908	...
1821–22	15,163,826	2,464,6 9	610,419	2,511,495	4,681,870	...
1822–23	18,098,611	1,903,566	619,869	2,010,432	6,577,279	...
1823–24	15,862,534	2,382,938	661,136	1,648,986	3,716,278	...
1824–25	17,607,786	2,235,434	567,262	1,587,314	4,627,765	81,145
1825–26	12,868,607	489,165	743,993	889,683	3,665,461	141,305
1826–27	12,858,318	831,672	502,005	1,083,973	3,804,022	809,052
1827–28	18,991,756	1,903,401	592,084	2,415,759	4,930,139	1,842,110
1828–29	...	...	...	...	...	...
1829–30	16,175,841	2,662,383	494,021	866,486	5,061,861	1,437,126
1830–31	20,073,354	4,601,634	620,994	1,4[illegible]5,918	5,818,247	2,917,969

	1814	1828	Increase per cent.
Board cloths, stuffs and camlets pieces	17,790	49,502	178,20
Calicoes plain, printed, etc., yds. ..	680,234	34,843,110	5,022.22
Cotton, Twist lbs. ..	8	4,558,185	56,977,212.50 "

In answer to this query, the Manchester Chamber of Commerce and East India Committee wrote:

"The increase in the staples of Lancashire is believed to be without a parallel. The export of British cotton manufactures and twist to India and China, in the years ending 5th January, 1815 to 1831, is exhibited by the annexed table, framed from papers presented to the House of Commons.

	White or plain Manufactures. Yards.	Printed or Dyed Manufactures. Yards.	Total. Yards.	Cotton Twist. lbs.
1815	213,408	604,800	818,208	8
1816	489,399	866,077	1,355,476	..
1817	714,611	991,147	1,705,758	624
1818	2,468,024	2,868,705	5,316,729	2,701
1819	9,614,381	4,227,665	8,842,046	1,862
1820	3,414,360	3,713,601	7,127,661	971
1821	6,724,031	7,601,245	14,325,276	224
1822	9,919,136	9,976,878	19,896,014	5,865
1823	11,742,639	9,029,204	20,741,843	22,200
1824	13,750,921	9,540,813	23,291,734	121,500
1825	14,858,515	9,666,058	24,524,573	105,350
1826	14,214,896	8,844,387	23,057,283	235,360
1827	16,006,601	10,218,502	26,225,103	919,387
1828	24,786,540	12,962,765	37,749,305	3,063,856
1829	27,086,170	10,498,666	37,566,836	4,549,219
1830	....	....	39,773,698	3,185,639
1831	....	....	52,179,844	1,494,995

"The following table, showing the total value of merchandise imported at Calcutta from Great Britain by the private trade, for 15 years, say, from 1813-14 to 1827-28, has been communicated by a merchant of Calcutta. . . . . The continuation of the table for the two years 1829-30 and 1830-31, is taken from Bell's Comparative View of the Commerce of Bengal. The particulars of the year 1828-29 are wanting."

The price of almost every raw produce of India was much lower in England in 1830 than in 1814. This either goes to show that the private traders who were let loose on India by the Charter Act of 1813 were compelling the mild natives of this country to sell their raw produce at such a low price as the English Christians dictated to them, or that there being no or little demand for their raw products in India (for the indigenous industries and manufactures had almost been crushed), the growers and producers of them sold them at very low prices. Such would seem to be the case with such articles as cotton, wool, and raw silk. In 1793, one pound of cotton-wool fetched 1s. ¾d. but in 1815, it was priced 11½d. and in 1831 5d. only. In 1793, one pound of raw silk was priced 21s., in 1815, 18s. 1d. and in 1831,

13s. 7½d. only. It is preposterous to suppose that the prices were high before 1813 on account of the monopoly of trade being enjoyed by the East India Company. Even then much of the profit remained in India, as wages of the middlemen. The Banians or Sircars, as they were called, employed by the company to purchase Indian Staples for them, were natives of India.

From the testimony of Mr. Sullivan, it appears that the private merchants were not very fair in their dealings with the natives. He wrote:

". . . . but, nevertheless, the Honourable Company paid more for their goods than the private merchant, which may be accounted for as following : no public agent can ever procure any large quantity of goods at the same price the private merchant does; the private merchant's purchases are limited, and when he does not wish to exceed a stipulated sum, and cannot procure the article he wants on his own terms, will decline purchasing. With the public agent it is different : the native agent knows as well as the resident that he has received certain orders to purchase a certain quantity to be ready by a certain time : they keep up their price, and make the resident on most occasions come into their terms. The charges on the Honourable Company's goods are great from the nature of the

carriage, and I do not think they can derive any advantage from their trade except by way of remittance."

The interests of the Indian producer were sacrificed for the benefit of Englishmen. For what did the lowering of the price of Indian products mean? Mr. Wood wrote:

"If by any change in the system of conducting the Indian trade the price of its products could be reduced the interests of the Indian cultivator or producer would suffer. A high price in India operates as a premium to industry, in the same way as a high price of corn in England, and if the price of sugar, indigo, or cotton were to fall, it would cause the land producing the same to be thrown out of cultivation, or to be cultivated by some crop which would yield a greater return than the articles now cultivated for exportation." *

The above remarks of Mr. Wood were quite true.

How the industries of India were ruined by the Free Trade policy of England since the passing of the Charter Act of 1813, the following will show.

* P. 380 (Appendix 4), Vol. II, part 2, Affairs of the East India Company. Ordered by the House of Commons to be printed, 16th August, 1832.

Mr. Mackillop wrote :

"Prior to 1814, cotton piece-goods were shipped extensively to England from Bengal, and a considerable supply of raw cotton was also sent frequently from both Bengal and Bombay; . . . .

The exports to India have increased considerably since 1814 : then, for instance, spelter, cotton yarn, and cotton piece-goods were usually imported into Europe from India, but now they are all exported from England in very large quantities."

Mr. Rickards wrote :

"The principal articles imported into India from Britain, are cotton piece-goods, twist, woollens and metals, including spelter . . . . of the increase of British manufactured articles which has taken place in the period alluded to, some idea may be formed from the following facts given in evidence. The first import of cotton twist into India occurred in 1821. In 1824, about 120,000 lbs. were imported; in 1818, about 4,000,000 lbs. In 1815 the importation of British white and printed cotton goods into India, was about 800,000 yards; in 1830, it was about 45,000,000 yards." *

The answers which the fourth query elicited are very important, as they throw much sidelight on the mode in which the

* P. 517. *Ibid.*

East India Company carried on their commercial transactions in India. The query ran as follows :

"What are the practical effects of the union of Government with trade in India? In point of fact, have the powers of Government been employed to place rival merchants under any unfair disadvantages in trade? Has rivalry in trade been found to be productive of any undue bias to the proceedings of Government as a Government, when rival Merchants are concerned? If any inconveniences to the public do in fact arise from the union of the two operations, do they or do they not outweigh the advantages of the Company."

In answer to this the Liverpool East India Committee wrote :

"The system pursued by the East India Company in the conduct of their commercial transactions in India may generally be said to be oppressive to the interests of the British merchants, and unprofitable to themselves.

"We believe that the practical effects of the union of government with trade in any country must be prejudicial to the general interests of commerce; and that this has been the case with the East India Company there is abundant evidence to prove.

"It has been shown that the native dealers in India are both afraid and unwilling to dispose of these articles of produce to private merchants,

which the Company are in the habit of purchasing until they have first ascertained their wants, and the wishes of commercial agents; and it must be obvious, that where the public revenue of the State is brought into collision with the capital of private merchants in the same market, the result must be disadvantageous to the latter."

Mr. Larpent in answer to the above query, quoted the memorial of London merchants in which they stated that,

"So long as the 31st Regulation of the Bengal Government, of the year 1793, remains unrepealed, the East India Company avails itself of its political authority to increase its mercantile profits.

"When it is considered how strong the habitual feelings of deference to authority are in India, and the mode in which the raw produce or manufactured goods of that country are obtained, namely, that of advance, the character assigned to this Regulation in the preceding paragraph will not be thought too strong. By it, no persons in balance to the Company, or engaged in any way in the provision of their investment, can withdraw from their employ; they cannot work for others or for themselves. If they do not fulfil their contract, they are put under the restraint of peons, and the goods they manufacture, or their articles of produce, are liable first to the Company, althoug they may be indebted to others : . . . ."

Mr. Richards' reply was an important one. He wrote :

" In a publication of mine in 1813, sundry extracts are given from the Diary of the Commercial Board at Surat, in which the following facts will be found to be fully substantiated, as the ordinary course of proceeding of the Company's commercial servants, between the years 1796 and 1811, *viz.*,—' That the Surat investment was provided under the most rigorous and oppressive system of coercion; that the weavers were compelled to enter into engagements and to work for the Company, contrary to their own interests, and of course to their own inclinations, choosing in some instance to pay a heavy fine rather than be compelled so to work; that they could get better prices from Dutch, Portuguese, French and Arab merchants, for inferior goods, than the Company paid them for standard or superior goods; that this led to constant contests and quarrels between the agents of the foreign factories and the Company's commercial residents, and to evasion and smuggling on the part of the weavers, for which on detection they were subject to severe and exemplary punishment, that the object of the commerical resident was, as he himself observed, *to establish and maintain the complete monopoly, which the Company had so sanguinely in view, of the whole of the piece-goods trade at reduced or prescribed prices;* that in the prosecution of this object compulsion and punishment were carried to such a height, as to induce several weavers to quit the profession :

to prevent which, they were not allowed to enlist as sepoys, or even on one occasion to pass out of city gates without permission from the English chief; that so long as the weavers were the subjects of the Nabob, frequent application was made to him to punish and coerce weavers, for what was called refractory conduct, and when severity was exercised towards them the Nabob (who was but a tool in the hands of the British Government) was desired to make it appear as the voluntary act of his own government, and to have no connexion with the Company or their interest, lest it should excite ill-will or complaint against the Company's servants; that to monopolize the piece-goods trade for the Company at low rates, it was a systematic object of the resident to keep the weavers always under advance from the Company, to prevent their engaging with other traders; while neighbouring Princes were also prevailed on to give orders in their districts, that the Company's merchants and brokers should have a preference to all others, and that on no account should piece-goods be sold to other persons; that subsequently to the transfer of Surat to the British Government, the authority of the Adawlut (our own court of justice) was constantly interposed to enforce a similar series of arbitrary and oppressive acts.'

"As long as the Company continued to trade in piece-goods at Surat, this was the uniform practice of their commercial servants. It may be taken as a specimen of the practice of other factories and nothing more than the natural

consequence of uniting power and trade in the same hands.

"In Lord Wellesley's well-known letter of 19th July, 1814, to the Madras Government, a similar course of arbitrary proceeding is detailed as being the practice of the commercial factories under the Presidency. If reference be had to that letter, it will be seen. on the faith of the highest official authority, how the power of the sovereign has been arbitrarily and habitually exercised not only to favour and promote his own commercial dealings, but to throw obstructions in the way of private enterprise, fatal to the interests and pursuits of the regular and more legitimate traders of the country.

"I cannot explain myself better on this head than in the words of an answer to my examination of July, 1831. A commercial resident, anxious to promote the Company's interests, or dreading the consequences of disappointment in completing the Company's investment, naturally desires to secure in its favour all the advantages which power can give it. To this end arbitrary and oppressive acts are encouraged or connived at, till the commission of them comes to be considered as zealous performance of official duty: and this must ever be the case where power and commercial dealings are committed to the same hands."

"In Mr. Saunder's evidence, of March 1831, this spirit is stated to prevail, and the most arbitrary and oppressive acts to have been committed up to the year 1829, in those districts

of Bengal where the Company's silk factories are established. Mr. Saunder's evidence is very important, in distinctly showing not only that a practice very similar to that above described as the former practice at Surat, prevailed in the Bengal silk factories up to the latest period but that the Company's interference had the effect of raising prices upwards of 40 per cent. between the year 1815 and 1821; and that this high price continuing, so that great losses were sustained on the sales in England, an attempt was made in 1827, by an equally arbitrary proceeding, to reduce the prime cost of the article, and orders were accordingly given to cause it to be fixed by the *buyers* of the commodity, without the least reference to the will or the interest of the *sellers*. ". . . . that when a sovereign exercises trade, or a merchant is allowed the use of power, that power is, under all circumstances, and by whomsoever administered, sure to be abused, and perverted to the most pernicious purposes. . . .

" When I was in India, several treaties existed with Native Princes, in which, where any branch of the Company's trade was concerned, or likely to be promoted, stipulations were invariably inserted, either for a monopoly of such branch in favour of the Company, or to give the Company's agents a preference in their dealings therein over all private merchants. The history of Bengal contains a series of the most iniquitous proceedings founded on such treaties with the Nabobs of Bengal, both previous and subsequent to the year 1765 . . . . I believe the same

principles to be in force in the present day, of which some notable examples may be found in the history of the late transactions regarding Malwa opium and treaties with Malwa princes."

The only other query which we need refer to here is the last one, *viz.*, the eleventh, which ran as follows:

"Can any measures, not involved in previous questions, be suggested, calculated to advance the interest of Indian commerce, such as the improvement or increase of the exportable productions of India, etc., etc."

It may be thought that this query was meant to do justice to the industries of India. But nothing of the sort was ever intended by the framers of it. Their sole object was how to enrich their own countrymen at the expense of India. This is borne out by the majority of the replies given to the query. We will first reproduce below the answers of the four distinguished Chambers of Commerce which carried on trade with India.

(1) One Mr. Henry Gougar in his "Personal Narrative of the two years' imprisonment in Burmah"* writes :

* "A personal narrative of two years' imprisonment in Burmah, 1824-26, by Henry Gougar." London; John Murray, 1860, p. 2.

"The East India Company competed with the private trader in the production of raw silk. They had their commercial residents established in the different parts of the silk districts, whose emoluments mainly depended on the quantity of silk they secured for the Company, who permitted these agents (or *residents*, as they were termed) to charge them a certain commission on its value.

"The system pursued by both parties was this :—Advances of money before each bund or crop, were made to two classes of persons—first, to the cultivators who reared the cocoons : next, to the large class of winders who formed the mass of the population of the surrounding villages. By the first, the raw material was secured; by the last the labour for working it. These advances were regarded as legal earnest money, or as pledges by the receivers to confine their dealings to the party disbursing it.

"The larger the quantity of silk the resident provided for his masters the greater was his remuneration,—a state of things which naturally created a jealousy between the functionary and the private trader, as their interests clashed. But there was no equality in the competition, the one being armed with arbitrary power, the other, not, I will state, a case of everyday occurrence.

"A native wishing to sell me the cocoons he produces for the season takes my advance of money; a village of winders does the same. After this contract is made, two of the Residents' servants are despatched to the village, the one bearing a bag of rupees, the other a book, in

which to register the names of the recipients. In vain does the man to whom the money is offered protest that he has entered into a prior engagement with me. If he refuses to accept it, a rupee is *thrown into his house*, his name is written down before the witness who carries the bag, and that is enough. Under this iniquitous proceeding, the Resident, by the authority committed to him, forcibly seizes *my* property and *my* labourers even at my own door.

"Nor does the oppression stop here. If I sued the man in Court for repayment of the money I had thus been defrauded of, the judge was compelled, before granting a decree in my favour, to ascertain from the Commercial Resident whether the defaulter was in debt to the East India Company. If he was, a prior decree was given to the Resident, and I lost my money.

"Another weapon in the hand of the Resident was the settlement of prices to be paid to the cultivators at the close of each season, the East India Company's price regulating that of the private trader. The higher the price, the greater his commission,—the money was not his own, and his master had a long purse."

The Manchester Chamber of Commerce and East India Committee wrote :

"The improvement and increase of the exportable productions of India would doubtless be a great good to India, and *not to India merely, but to this country*. The improvement in the quality of Indian cotton is an object of paramount

importance to the prosperity of the cotton manufacturers of Great Britain, so much so that every facility should be afforded to the speedy development of whatever India is capable of accomplishing in this way; but we have no specific measure to suggest, unless it be the obvious one of permitting British subjects to hold land."

No comments are needed on the above reply of the Chamber of Commerce. It clearly shows (especially the passage we have put in italics) the selfish object the Chamber had in view when it made the above recommendation.

The Glasgow Chamber of Commerce wrote :

"Every improvement or increase of the exportable production of India, would, no doubt have that effect; and with a view effectually to promote such desirable objects, we earnestly hope that the license system by the East India Company shall be entirely abolished, and every encouragement and facility, consistent with the safety and tranquillity of India, will be granted to British subjects going there, from whose skill, capital and enterprise most beneficial results may reasonably be expected."

The answer of the Glasgow Chamber also shows, like that of Manchester, that they wanted to benefit their own kith and kin and not the manufacturers of India.

The Liverpool East India Committee suggested,

"that encouragement be given to men of talent, particularly acquainted with the best modes of raising and improving the different products of India, to settle in the interior of the country."

The Hull Committee also made the same suggestion as did the Liverpool East India Committee. Then it concluded by saying :

"Since the Directors of the Company have been the monarchs of our vast possessions in India, no facilities of communication with the interior by roads have been afforded, nor has any improvement in the culture of its soil and its various products been made; . . . . How widely different would the condition be of this important part of the globe, and its vast population, were the Company to confine themselves to their magisterial duties, and no longer act on the narrow principles of rival and monopolizing merchants! The advantages arising from such a change (the right of colonization being granted) would be incalculable, both to ourselves and the native inhabitants of India; to ourselves it would afford a most inviting opportunity for the investment of capital; be an inexhaustible source for the extension of commerce and manufactures, and for the employment of shipping; a source in these respects more highly important because free from foreign competition and control. It would afford inducements to the emigrant far beyond either Canada, the United States, or New Holland; and

would greatly and permanently improve our national as well as individual prosperity. *As to the natives of India, this change of system would tend, by their increased intercourse with Britons, to enlighten and civilise them, to dispel the horrors of their superstitious idolatry, and greatly to facilitate their improvement, general welfare and happiness.*"

Yes, Indians may be civilized off the face of the earth by famine and plague and other epidemics following on the track of the impoverishment of the people in consequence of the ruin of their industries.

Most of those gentlemen who replied to this query demanded encouragement to their countrymen to settle in India, without which, they thought, the interests of Indian Commerce would not be advanced. According to Mr. Larpent the measures proposed to benefit Indian Commerce were :

"1. A remodelling of the Customs table.

2. Equalization of the duties on Indian sugar.

3. Reduction of duties on Indian cotton and silk manufactures, which pay here 10 and 20 per cent. *ad valorem,* whilst British manufactures in India pay 2½ per cent. only.

4. Opening of new ports for the importation of Indian goods, and extension of the bonding system into the interior of the kingdom on articles heavily taxed.

5. Encouragement to persons to settle in India."

Mr. Mackillop in the course of his reply wrote :

"It would obviously be to the advantage of exporters of goods from this country, were the duties reduced on the importation of Indian produce to England. I allude particularly to sugar, silk piece-goods, paper, and almost every description of spices, etc. *It is acting inconsistently to encourage the exports of a country, and at the same time to repress the importations of the State to which the exports are sent; it is, in fact, a system of trade not calculated to be beneficial to either party.*"

The words which have been put in italics shows that Mr. Mackillop took a statesmanlike view of the situation, but he spoke to deaf ears, for it was not the interest of England to encourage the industries of India.

Mr. Wood suggested the construction of roads and canals in India for facilitating the transport of the produce of that country. He wrote :

"Very little has been effected by way of opening the communication with the Presidency by land, and the roads have been left in a much worse state than when under the Government of the Moguls; the remains of their roads and bridges are to be seen throughout the country;

and although we have been so long in possession of the country, the roads within 30 miles of Calcutta are impassable for carriages in the rainy season."

Well, Mr. Wood forgot that India appeared to the Britishers to be a milch-cow whom it was their *duty* to go on milking without giving it any sustenance. Mr. Wood was not aware of the fact that it was not considered in those days the *duty* of the British Indian Government to construct roads and canals in India for the benefit of the natives of this country. Thus, Mr. N. B. Edmonstone, who had filled very high offices in India, in his evidence as a witness before the Parliamentary Committee on the 16th April, 1832, was asked :

"1710. Since we have derived a large revenue from the territory of India, amounting now to £20,000,000 annually, can you point to any great improvements in the way of public works, such as works for irrigation, roads, bridges, or any great public works in the country by which any marks appear of the benefits derived from our Empire there?"

In reply, Mr. Edmonstone said :

"*Not from public works; that has generally been left to the industry and skill of the native landholders.* There has been one work of that

description that has been of very great importance, the renewal of some canals anciently drawn from the Jumna in the north-west quarter of India, which have been carried through a great extent of arid territory, and been productive of very great increase of revenue."

Mr. Edmonstone was then further asked :

"1711. In that single and small sample, is there not evidence of the vast benefits that a paternal government might confer upon that country?"

He said :

"I am not aware in what manner the public resources could be applied in the way. All the lands being private property, it necessarily depends upon the proprietors of those lands to introduce such works and improvements as they find calculated to promote their own interests."

The above characteristic reply of Mr. Edmonstone should be borne in mind by our present day rulers who look upon land revenue not as tax but mere rent and who say that the people have no private right in the land.

Mr. Rickard's reply was the most important, and it covers more than five pages of the folio volume. He wanted reforms in the administration of India and he concluded his reply by saying :

"Should these reforms be found to conduce to the internal prosperity of India, the objects desired in this question would be most fully accomplished; for by increased prosperity on the one hand, and the entire abolition of the Company's trade on the other, the most effectual measures, as well direct as indirect, would thus be adopted, to advance the interests of Indian Commerce, and not only to increase the exportable productions of India, but those of Britain also."

The reforms which Mr. Rickards proposed were far-reaching in their consequences, and had they been granted, there would not have been that amount of discontent in India which exists now. He was in favour of conferring on the natives of this country a modified system of representative government. He also pointed out the unfairness and injustice in levying heavy duties on Indian imports in England. He wrote :

"The rates of duty imposed on Indian imports into Britain, when compared with the exemption from duty of British staples into India (cotton goods being subject to a duty only $2\frac{1}{2}$ per cent.), constitute an important feature in the present question. Indians within the Company's jurisdiction, like English, Scotch or Irish, are equally subjects of the British Government. To make invidious distinctions, favoring one class, but oppressing another, all being subjects of the

same empire, cannot be reconciled with the principles of justice; and while British imports into India are thus so highly favored, I know that Indo-British subjects feel it a great grievance that their commodities when imported into England should be so enormously taxed."

" . . . . the system of duties on British goods imported into India, compared with those on Indian goods imported into Britain, both being equally the property of British subjects, it is liable to this inconsistency, that British staples imported into India are admitted duty free, whereas Indian produce is charged with enormous duties in this country, many articles of ordinary consumption being subject to duties exceeding 100, and from that up to 600 per cent., while one article as high as 3,000 per cent." . . . .

"But the greatest obstruction of all to the extension of Indian Commerce both internal and external, is the land-tax, *one-half of the gross produce of the soil;* an impost which paralyses the energies of the great mass of the people by consigning them to irretrievable poverty."

But Mr. Rickards spoke to deaf ears; he was crying in the wilderness. No one paid any heed to what he said.

The poverty of Indians pointed out by Mr. Richards has grown from bad to worse. The result is that their purchasing power is very low, so much so that the home market for Indian manufactures is extremely limited.

The same thing is true of external markets also due to the currency and exchange policy of Government. The raising of the exchange rate from 1s. 4d. to 1s. 6d. has meant that a commodity valued at Re. 1 which could be sold for 1s. 4d. before has now to be sold for 1s. 6d. In order to compete, Indian manufacturers must however continue to sell at 1s. 4d. and thus get less than a rupee, incurring a loss or diminishing the profit. Not only this, the import of foreign manufactures into India is facilitated. For instance, a British commodity worth £1 which had formerly to be sold in India for Rs. 15 when the exchange was 1s. 4d. can now be sold for Rs. 13 5a. 4p. with the exchange at 1s. 6d. Thus it can be sold at a lower rupee value compared with corresponding Indian manufactures, which are naturally very hard hit in this way.'

This is by no means the only or the chief injury to Indian industries. During the War when India supplied stores and materials but did not or could not buy foreign things, she had a heavy balance of trade in her favour. This was held in sterling mostly at the rate 1s. 4d., *i.e.*, Rs. 15 to the pound.

When the time came for bringing these accumulated savings home, Government deliberately cheapened sterling by raising the exchange rate. Up to the end of September 1920, Reverse Councils to the value of £55 million was sold for Rs. 42.32 crores; in other words, £55 million held in London on account of India was appropriated by the Secretary of State, Government here paying out only Rs. 42.32 crores in exchange. Assuming that the £55 million was acquired at 1s. 4d., *i.e.*, at a cost of Rs. 82.50 crores, the loss was Rs. 40.18 crores. If exact exchange rates ruling on different dates are taken, the loss comes out at a somewhat lower figure, *viz.*, Rs. 33 crores. In addition to this, there was a contribution of £100 million, the voluntary character of which is strictly comparable to that of Tudor "benevolences."

The destruction of so much capital made it impossible for Indian industries to take advantage of post-war conditions in the same way as those of other countries. The scanty capital that was available in the country was seized by Government, which had to borrow repeatedly in order to meet heavy deficits

brought on by costly extravagance and mismanagement of public finance. The surplus about which so much noise was made by Sir Basil Blackett was more apparent than real, for that was realised by keeping taxation on the inordinately high post-war level and there was no relief afforded to Indian industries save the abolition of cotton excise duty, which was however grossly inadequate to mitigate the injury of the high exchange rate.

Not only in the long term capital market through Government loans, bonds and cash certificates, but also in the short term money market, Government is a keen competitor and offers very high interest on Treasury Bills. It is no wonder that there is a "money famine." The repercussions of these conditions on Indian industries and trade do not require any elaboration.

CHAPTER V

GRANTING OF SPECIAL PRIVILEGES TO BRITISHERS IN INDIA

The English philosopher Herbert Spencer wrote the following letter to Baron Kaneko of Japan :

"Respecting the further questions you ask, let me, in the first place, answer generally that the Japanese policy should, I think, be that of *keeping Americans and Europeans as much as possible at arm's length.* In the presence of more powerful races your position is one of chronic danger, and you should take every precaution to give as little foothold as possible to foreigners.

"It seems to me that the only forms of intercourse which you may with advantage permit are those which are indispensable for the exchange of commodities—importation and exportation of physical and mental products. No further privileges should be allowed to people of other races than is absolutely needful for the achievement of these ends. Apparently you are proposing by revision of the treaty with the Powers of Europe and America to open the whole Empire to foreigners and foreign capital. I regret this as a fatal policy. If you wish to see what is likely to happen, study the history of India."

It was evidently with reference to the above letter that *The Modern Review* for November, 1921, (pp. 619-620) wrote :

" It was a very sane advice given to a Japanese gentleman by Herbert Spencer that the Japanese government should not give any commercial or industrial concessions to any European nation in Japan. The grant of such concessions ultimately leads to the annexation, or what the modern Europeans call conquest, of the country which grants them concessions. It is the introduction of the thin end of the wedge in the body politic of the consession-giving country which brings about its subversion and ruin. Very truly has an American author said :

" The most refined methods of annexation are through loans and railways. The weak nation borrows, and the interest is not paid. The lender takes possession of the custom-houses to collect the interest on the debt and it is very easy for custom-house control to spread to the control of the towns and then the country . . . By the railway conquest the undeveloped nation agrees that a railway shall be built in its territory by representatives of some more powerful nation. Such were the Russian railways, across Manchuria to Vladivostok and to Port Arthur. The railways and the workers thereon required protection. The difference between police protection and an army is a line that has never been pointed out and Russian soldiers in great multitudes entered Manchuria, which the whole world recognised in a few years as essentially a Russian province, as Egypt is an English province, despite the sovereign claims of an ornate Khedive in Cairo and a despotic Sultan of Constantinople. By the war of 1904 Japan took the rights to some of the Manchurian railways from Russia by force. China

was no less dismembered by the change in concessionaires who were really conquerors."*

The ruin of Indian trade and industries as well as the political downfall of India may be said to have dated from the day when the Mogul Emperor, with the generosity and magnanimity characteristic of an Asiatic Sovereign, granted such terms to the foreign Christian merchants of the British nationality trading in India which no modern Christian power would ever think of giving to any Christian or non-Christian people. Under the guise of traders, the foreigners were conspiring for the conquest of India. Unfortunately, the plot of the scheming and designing foreigners was not discovered, nay, not even suspected by the simple-minded folks of that country. Whether the latter would have been able to avoid being entrapped in the net which the foreigners were weaving round them, had they dis covered or even suspected it in time, is a question which it is not necessary to consider here. But ever since the British acquired power in India, it has been their systematic policy not to develop and encourage the

* *Industrial and Commercial Geography* by J. Russell Smith, New York, Henry Holt and Company, 1913.

indigenous industries and trade of India and to paint Indians as lacking in energy and business capacity, incapable of organizing industries, hoarding their wealth and not investing the same for the creation and maintenance of new industries. All this animus against Indians is explained by the proverb which says that "one hates the person whom he has injured."

Even when India shall have won Swaraj the foreign-owned railways, industries and other business enterprises will most probably be used successfully to keep India in economic bondage, which may again lead to political bondage.

It was the grant of the special privileges to the English merchants which led to the conspiracy against Siraj-ud-Dowlah and the Battle of Plassey. "Give them an inch and they will ask for an ell." The British merchants were never satisfied with what they had got but asked for more and more and this led to their conspiring against Meer Qasim and his dethronement. They behaved like a pack of hungry wolves or vultures.

According to Herbert Spencer,

"The Anglo-Indians of the last 18th century —'birds of prey and passage,' as they were styled by Burke—showed themselves only a shade less cruel than their prototypes of ,Peru and Mexico. Imagine how black must have been their deeds, when even the Directors of the Company admitted that 'the vast fortunes acquired in the inland trade have been obtained by a scene of the most tyrannical and oppressive conduct that was ever known in any age or country.' Conceive the atrocious state of society described by Vansittart, who tells us that the English compelled the natives to buy or sell at just what rates they pleased, on pain of flogging or confinement." (*Social Statics*, 1st edition, p. 367).

The monopolies of the East India Company proved detrimental to Indian trade and industries. In his work on *Considerations on Indian affairs*, William Bolts says that the reason of the East India Company for taking over the Dewany of Bengal, Behar and Orissa was

"to enable the gentlemen who planned and adopted this mode of government to establish such monopolies of the trade of the country, and even of the common necessaries of life, for their own private emolument, and to the subversion of the natural rights of all mankind as to this day remain unparalleled in the history of any government."

The Select Committee of the Governor's Council decided on the 10th August, 1765, to establish a monopoly in the trade of salt, betel-nut and tobacco. This was made known to the public as follows :

" Advertisement

"The Honourable the Court of Directors having thought proper to send out particular orders for limiting the inland trade, in the articles of salt, betel-nut and tobacco, the same is now to be carried on, in conformity to those orders, by a public society of proprietors, to be formed for that purpose; and *an exclusive right to the trade of those articles will be vested in this society, by an authority derived from the Company and from the Nabob,* all manner of persons dependent upon the Honourable Company's government are hereby strictly prohibited from dealing in any respect, directly or indirectly, in the articles of salt, betel-nut and tobacco, from the date hereof; that is to say, that they shall not enter into any new engagements, unless as contractors, either for the purchase or sale of those articles, with the society of trade."

"The farce of using the Nabob's name," says Bolts, " was thought convenient to be played, as is usual in all dark acts of this double government. The reader will have perceived, as well in the proceedings of the Company as in the foregoing English advertisement, that this Nabob, if he must be so called, is introduced as joining with the Committee, and consenting to the ruin of his subjects, the poor people of the country, who could not, for that reason, pretend to, or entertain even a hope of redress."

The following is a sample of the Mutchalkas or obligatory bonds taken from the Zemindars to whom *perwanahs* were issued in the name of the Nabob.

". . . . I will on no account trade with any other person for the salt to be made in the year 1173 (Bengali style); and without their order I will not otherwise make away with or dispose of a single grain of salt; but whatever salt shall be made within the dependencies of my Zemindari, I will faithfully deliver it all, without delay to the said Society, and I shall receive the money according to the agreement which I shall make in writing; and I will deliver the whole and entire quantity of the salt produced, and without the leave of the said Company I will not carry to any other place nor sell to any other person a single measure of salt. If such a thing should be proved against me, I will pay to the sircar of the said Society a penalty of five rupees for every maund."

The Committee then started business by appointing European agents throughout the interior at all the important marts and centres of trade.

Bolts made an elaborate estimate of the actual profits of this monopoly, and came to the following conclusion :

"By this estimate, which we hope will be allowed very just by all persons acquainted with

the branch of which we treat, it appears, that upon the trade of two years there has been to the amount of six hundred and seventy-three thousand one hundred and seventeen pounds sterling collected for the benefit of about sixty persons from the natives in general, upon this single monopoly of what are considered there to be all necessaries of life (and the most material one is actually such in all countries) more than they would have paid for the same, had the trade continued open and free to all who paid the established duties."

As might be expected, the monopoly led to the rapid decay of the manufacture of salt in Bengal. The districts which used to produce salt were those which were washed by the influx of the tide from the sea, for about sixty miles up the rivers from the bottom of the bay.

"Many of those lands produce nothing but salt, from which the whole of their revenue arises; but from the situation of the private trade of the country, as well as, in particular, from the fluctuating tenor of orders issued at Calcutta relative to this trade, none of the natives would at the time, or even since, venture to make salt, unless privately concerned with, or protected by, some gentleman of power and influence in the service of the Company."

"The salt-makers, called Molunguees, came up to Calcutta in a body to petition for liberty to

remove their salt before the swelling of the rivers; and the writer has seen above 200 of them surround the Governor's palanquin for that purpose, on the high road, and falling prostrate on their faces before him. They were referred to the Dewan,* though the very man against whom they complained; and before they could obtain an order, their salt was washed away."

The weaving industry was ruined from the Company's desire to keep the entire trade in its own hands, without a rival or competitor.

"Every manœuvre of those who govern the English East India concerns, and particularly in Asia, seems to have been calculated with a view to facilitate the monopolising of the whole interior trade in Bengal. To effect this, inconceivable oppressions and hardships have been practised towards the poor manufacturers and workmen of the country, who are, in fact, monopolised by the Company as so many slaves.†

* The Banyan or Dewan was a native officer employed by every European of consequence serving under the East India Company. His functions have been thus summarised by Bolts:—"In short, he possesses singly many more powers over his master than can be assumed in this country (England) by any young spend-thrift's steward, money-lender and mistress all put together: and further serves very conveniently sometimes, on a public discussion, to father such acts or proceedings as his master dares not avow."

† Bolts, *Considerations on Indian Affairs*, London, 1772, p. 72.

"Various and innumerable are the methods of oppressing the poor weavers, which are daily practised by the Company's agents and gomostahs in the country; such as by fines, imprisonments, floggings, forcing bonds from them, etc., by which the number of weavers in the country has been greatly decreased. The natural consequences whereof have been the scarcity, dearness and debasement of the manufactures, as well as a great diminution of the revenues,* . . . . The severities practised towards those people, who are generally both manufacturers and husbandmen, are scarcely to be described: for it frequently happens, ... that while the officers of the collections are distressing them one way for their established rents, the peons from the Company's gomostahs on the other hand, are pressing them for their goods in such a manner as to put it out of their power to pay their rents. . . . . Such a practice cannot otherwise be considered than like the idiot practice of killing the prolific hen to get her golden eggs all at once.† . . . . The weaver, therefore, desirous of obtaining the just price of his labour, frequently attempts to sell his cloth privately to others, particularly to the Dutch and French gomostahs, who are always ready to receive it. This occasions the English Company's gomostah to set his peons over the weaver to watch him, and not unfrequently to cut the piece out of the loom when nearly finished‡

* *Ibid.*, p. 74.
† *Ibid.*, p. 192.
‡ *Ibid.*, p. 193.

. . . . With every species of monopoly, therefore, every kind of oppression to manufacturers of all denominations throughout the whole country has daily increased; in so much that weavers, for daring to sell their goods, and Dallals and Pykars for having contributed to and connived at such sales, have, by the Company's agents, been frequently seized and imprisoned, confined in irons, fined considerable sums of money, flogged and deprived, in the most ignominious manner, of what they esteem most valuable, their castes. . . . . In the time of the Mogul Government, and even in that of the Nabob Alivardi Khan, the weavers manufactured their goods freely, and without oppression; and though there is no such thing at present, it was then a common practice for reputable families of the Tanti or weaver caste, to employ their own capitals in manufacturing goods which they sold freely on their own accounts. There is a gentleman, now in England, who in the time of that Nabob, has purchased in the Dacca province in one morning eight hundred pieces of muslin at his own door, as brought to him by the weavers of their own accord. It was not till the time of Siraj-ud-Dowlah that oppressions of the nature now described, from the employing of gomostahs, commenced with the increasing power of the English Company, ... and the same gentleman was also in Siraj-ud-Dowlah's time witness to the fact of above seven hundred families of weavers, in the districts round Jungalbarry, at once abandoning their country and their professions on account of

oppressions of this nature, which were then only commencing.* This last kind of workmen [winders of raw silk] were pursued with such rigour during Lord Clive's late government in Bengal, from a zeal for increasing the Company's investment of raw silk, that the most sacred laws of society were atrociously violated, ..."†

The weavers used country cotton, called *kapas,* which was produced in Bengal and was also imported in large quantities from the north-west, down the Jamuna and the Ganges. The Company imposed a duty of 30 p. c. upon such cotton, and forced the manufacturer to buy Surat cotton, which they imported by sea, and thus accelerated the ruin of the industry.

"The public monopoly next in consequence, as of late practised, has been that of piece-goods for the markets of Bussorah, Jedda, Mocha, Bombay, Surat and Madras. Of those goods there are many sorts which the English Company do not deal in such as at Dacca, the coarser kinds of Mulmals, called, Anundy, Hyati, Sonargang, and Sherbutty; and at Cossimbazar and Radhanagore, several sorts of Saries, called Chappa, Muga, Tempy, Tarrchandy, and Mutca; also Soocies and Soocy-Saries, Cutanees, and Taffeties, &c., in the provision of which nevertheless, under

* *Ibid,* p. 195.
† *Ibid,* p. 194.

the same influence, like oppressions are practised as for the Company's investment."

Writes Bolts :

"We have seen all merchants from the interior parts of Asia effectually prevented from having any mercantile intercourse with Bengal, while at the same time, the natives in general are in fact deprived of all trade within those provinces, it being wholly monopolised by a few Company's servants and their dependants. In such a situation what commercial country can flourish? . . . .

"While the Company and their substitutes, by a sub-division of the rights of mankind, in the unrestrained exercise of every species of violence and injustice, are thus suffered to monopolise not only the manufactures but the manufacturers of Bengal, and thereby totally repel that far greater influx of wealth which used to stream in from the commerce of Asia; and likewise, by every method they can falsely practise, obstruct the trade of the other European nations with those provinces which is the only other inlet of wealth they possibly can have, and at the same time, while they are continually draining off from thence immense sums annually for China, Madras, Bombay and other places, the consequence cannot prove other than beggary and ruin to those inestimable territories."

The Government of India never ceased granting special privileges to Britishers. It was brought out in evidence before the Parliamentary Committee of 1858 on the colonization of India, how these privileges were given to them at the expense of the

children of the Indian soil. It is stated in *The Modern Review* for May. 1912, p. 461 :

Take for instance, the case of tea-plantations. How the tea-planters were assisted in the industry will be evident from the following questions put to, and the answer given to them by Mr. J. Freeman, who appeared as a witness before the Select Committee on colonization :

"1922. Are you not aware that both in Assam and Kumaon the Government established tea-plantations for the express purpose of trying experiments, for the sake of the settlers, and with the avowed object of handing over their plantations to the settlers, as soon as the experiment had been shown to be successful, and as soon as settlers could be found willing to take them?—That is what I refer to; that in the first mooting of the cultivation of tea the Government took the initiative and encouraged it, and went to some expense in taking the necessary steps towards it. Then some Europeans took it up on a larger scale, and that attempt was not successful; but somewhere about 14 years ago, in consequence of this new arrangement, where the Government gave them more favourable terms about the land that they were to concede to them, from that arose the present company, *which has carried it out in a very extensive way, which, without the English settlers and their capital, I doubt, would ever (have) been effected.*

"1922. Did not the Government in fact bear the whole of the expense of the experiment, and hand over, both in Assam and Kumaon, their plantations to the settlers on very liberal terms?—That I am unacquainted with. I will not say that it was so or that it was not so.

"1924. Did not the Government send Mr. Fortune, and others before him into China to get seed, and to get tea-markers, Chinese and otherwise, to inform them as to the Chinese system of culture, for the express purpose and sole object of instructing the settlers in India?—I do not know for certain whether that experiment was

made by the Government: I believe it was so: but I know that Chinamen were brought in the first instance. It was hoped through them that the natives in India would get an insight into the cultivation of tea, but it failed, so far."

Thus it will be seen how the European tea-planters have been benefited at the expense of the natives of India. But the Government have never done anything to encourage any purely Indian concern as they have done the tea industry carried on by Anglo-Indians. The fling at the natives of the country by the witness, which we have italicized in the above extract, is quite senseless, for no native has ever been encouraged in the same manner as the European settlers.

It is for the benefit of the European tea-planter that that Act, up to this day, stands on the pages of the Indian Statute Book—an Act which the late Hon'ble Rai Bahadur Kristo Das Paul, C.I.E., was compelled to condemn as legalising slavery in India.

The Indian Government very generously offered to assist the Iron manufacturers of England, if some of them were to come to settle in India. Thus the same witness was asked :

"1927. Are you aware that the Government have recently sent out a gentleman conversant with the iron manufacture, and with him several assistants, to the province of Kumaon, to introduce the iron manufacture there?—I have read of it, but we offered to do everything at our own expense.

"1928. And the Government have stated that, as soon as the experiment is shown to be successful, they are willing to hand over the works to any Englishman that will undertake them?—Yes, that may be . . ."

Comments on the above are superfluous. Again, from time to time indigo-planters have received pecuniary aids from Government at the expense of the Indian tax-payer.

So late as November 1917, Mr. Karimbhoy Adamjee Peerbhoy in his evidence before the Indian Industrial Commission bitterly complained "of the want of encouragement accorded by Government to purely Indian concerns." His evidence—both written and oral—covers about ten folio pages of the Minutes of evidence* of the Commission and deserves careful perusal by all interested in the subject. The President of the Commission, Sir Thomas Holland,

* Vol. IV (pp. 501-523).

who had to resign, in 1921, the membership of the Executive Council of the Government of India for reasons which remain apparently unintelligible and mysterious to the public, did not like the exposure of the doings of the Government officials by the witness, whom he tried to browbeat and interrupt from speaking the truth. The naked truth was so unpalatable to the gallant knight—the Christian President of the Commission—that turning to the Press reporters, he said that

"The Press will regard that as their responsibility if they publish accusations brought against any individual officer."

The Muhamadan witness was more than a match for the Christian President when he said,

"I wish to be straight and candid to the Commission in saying that whatever my written evidence is in this pamphlet, my oral evidence shall appear in the Press."

Mr. A. R. Rangachari, Honorary Secretary, Madura Dyers' Association, Madura, in his evidence before the same Commission said :

"The maintenance of an excise duty on Indian mill-made cotton products and the recent enhancement of the same are directly opposed to

the efforts of the Government towards industrial development. Last year, the Indian Government purchased wheat and indigo in India, for the English Government. The same solicitude should have prompted the former to acquire for the Indian Government some dyes at least for the Indian dyers . . . . The Government did not sympathise with them. They still consider that their industry is assailed by the English dyers." *

Before the same Commission, Lala Harkishenlal also exposed the manner in which banks owned and managed by Englishmen treat Indian banks. His oral Evidence given on the 11th December, 1917, covering 22 folio pages of the Minutes of evidence, did not make him a *persona grata* with the then British officials serving in the Punjab. This perhaps accounts for the persecution to which he was subjected by them in April, 1919. In his evidence he spoke of

"a conspiracy set up with the determined object of destroying the banking of the Punjab, in which officials and non-officials joined, and made every possible effort, and took every possible measure to destroy banking which would have really done immense good to the province and to outside . . . they did not want Indian banking to flourish, and

* Indian Industrial Commission, Minutes of Evidence, Vol. III, p. 481.

very likely they thought that left to itself it would prove a formidable opponent or competitor to their business."

In the course of his evidence he said :

"I also know that an application was made by a European to an Anglo-Indian bank for loan and he was first asked to state that this loan would not benefit any Indian in any form or shape; or any existing bank in any form or shape; and he was told that if he assured them of that the loan would be negotiated, otherwise not."

Is it any wonder that while undue privileges and concessions were given to British traders and merchants, Indian industries should have perished for want of support and encouragement by the State?

CHAPTER VI

HOW INDIAN ARTISANS WERE MADE TO DIVULGE THEIR TRADE SECRETS

According to Bolts, whose "Considerations on Indian Affairs" was published within ten years after the battle of Plassey :

"The oppressions and monopolies in trade which have been introduced of late years but particularly within the last seven have been the principal causes of such a decrease in the real revenues of Bengal as may shortly be most severely felt by the Company. For the Ryots, who are generally both landholders and manufacturers, by the oppressions of gomastas in harassing them for goods, are frequently rendered incapable of improving their lands and even of paying their rents; for which, on the other hand, they are again chastised by the officers of the revenue and not infrequently have by those harpies been necessitated to sell their children in order to pay their rents or otherwise obliged to fly from the country."

Again, the same author wrote :

"We come to consider a monopoly the most cruel in its nature and most destructive in its consequences to the Company's affairs in Bengal of all that have of late been established there. Perhaps it stands unparalleled in the history of any government that ever existed on earth,

considered as a public act, and we shall not be less astonished when we consider the men who promoted it, and the reasons given by them for the establishment of such exclusive dealings in what may there be considered as necessaries of life."

It is recorded by Bolts that the Indian weavers

"upon their inability to perform such agreements as have been forced upon them by the Company's agents, universally known in Bengal by the name of *Mutchulcahs*, have had their goods seized and sold on the spot to make good the deficiency; and the winders of raw silk, called Nagoads, have been treated also with such injustice, that instances have been known of their cutting off their thumbs to prevent their being forced to wind silk."

It is not necessary to mention all the measures which in the early days of the East India Company led to the ruin of Indian industries. But all those measures did not bring about the total extinction of Indian manufactures and industries. For after all knowledge is power and the manufacturers of England were ignorant of many of the processes employed by Indian artisans in the manufacture of their articles and wares.*

* "We as a manufacturing people are still far behind them (the Indians)."—Sir Thomas Munro. See *The Modern Review*, Vol. II, p. 541.

The holding of the first International Exhibition in 1851 was not only an incentive to the manufacturers of England to produce articles for the Indian markets, but it indirectly afforded them an opportunity to learn the trade secrets of Indian craftsmen. The English manufacturers left no stone unturned to wring out of the Indian artists the secret processes by which the latter succeeded in manufacturing their beautiful articles.

A couple of years after the first International Exhibition, took place the renewal of the Charter of the East India Company. Several witnesses who appeared before the Parliamentary Committees appointed to inquire into Indian affairs gave it in their evidence that English manufacturers should be afforded facilities to have an extensive market for their articles in India.

At the same time Dr. John Forbes Royle, who had been in charge of the Indian Department of the first International Exhibition, impressed upon the Court of Directors the importance of forming a Museum in London to permanently exhibit the products and manufactures of India. It is needless to say that the Court most gladly adopted

his scheme, because the Museum was to be established at the expense of India and it was to afford bread and butter to a large number of inhabitants of England. But while completing the arrangements of this Museum he died in January, 1858. Dr. Forbes Watson was appointed as his successor. It was during his tenure of office that the last step leading to the destruction of Indian textile manufactures was taken.

What this step was has been very well described by Dr. Watson himself. He wrote :

"Specimens of all the important Textile Manufactures of India existing in the Stores of the Indian Museum have been collected in eighteen large volumes, of which twenty sets have been prepared, each set being as nearly as possible an exact counterpart of the others. The eighteen volumes, forming one set, contain 700 specimens illustrating, in a complete and convenient manner, this branch of Indian Manufactures. *The twenty sets are to be distributed in Great Britain and India—thirteen in the former and seven in the latter*—so that there will be twenty places, each provided with a collection exactly like all the others, and so arranged as to admit of the interchange of references when desired."

The passage which we have italicised in the above extract shows that the authorities

did not possess any sense of proportion when they distributed thirteen sets in Great Britain and seven only in India.

The distribution of the seven sets in India was an afterthought. It was not the original intention of the authorities, as is evident from what Dr. Forbes Watson wrote :

"The original intention was that the whole of the twenty sets would be distributed in this country (England). Further consideration, however, points to the expediency of placing a certain number of them in India : 1st, because this course will facilitate those trade operations between the two countries which it is the object of the work to promote and encourage; and 2ndly, because it is possible that the collection may be of direct use to the Indian manufacturer. . . .

"It seems to be clearly for the advantage of India that every facility should be given to the introduction, from this country, of such manufactures as can be supplied to the people there more cheaply* than by hand labour on the spot.

* As to this cheapness, it should be borne in mind that the poorer classes in India for whose benefit cloth was sought to be made cheap have always used the coarser fabrics. These products of the handlooms are even now cheaper than Manchester goods, considering that the former last much longer. But our fabrics were formerly actually cheaper in price than English textiles, as Mr. Robert Brown said before the Lord's Committee which sat before the renewal of the E. I. Company's Charter in 1813. See the January (1908) number of *The Modern Review*, p. 28, and the December (1907) number, p. 545.

The many will thus be benefited and the hardship which may possibly fall upon the few will not be serious or long-felt, since their labour will soon be diverted into new and, in all probability, more profitable channels.

"*The chief advantage, however, which is likely to attend the distribution in India of a certain number of the sets of Textile Specimens will, it is believed, arise from the opportunity which will thereby be afforded to the agent in India of directing the attention of his correspondent here (England) to the articles suited to the requirements of his constituents.*"

We have italicised the last paragraph, as in it the writer unmasks himself.

The places to which the thirteen sets were alloted in Great Britain and Ireland were as follows : Belfast, Bradford, Dublin, Edinburgh, Glasgow, Halifax, Huddersfield, Liverpool, Macclesfield, Manchester, Preston, Salford and the India Museum, London. Dr. John Forbes Watson was sorry that this distribution still left "some important places unsupplied. These are, however, in almost every instance situated near to one or other of the selected localities."

Regarding the distribution of the seven sets in India, Dr. Watson recommended

"that a set be placed in each of the following places, *viz.*, Calcutta, Madras, Bombay, Kurrachee, the North-Western Provinces, the Punjab, and lastly in Berar.

"With respect to the three last-named divisions either Allahabad, Mirzapore, or Agra in the North-Western Provinces, Umritsur or Lahore in the Punjab, and Oomrawattee or Nagpore in Berar, will probably be found the most suitable, but it may be left to the respective Governments of the divisions in question to decide on the exact locality."

The set for the North-Western (now the United) Provinces is not kept in any one of the cities recommended by Dr. Watson. It is kept in the Provincial Museum, Lucknow, to which place it was transferred from the Allahabad Museum in September, 1878. Lucknow is not a centre of any textile industry and therefore the set is kept there!

Dr. Watson proceeded—

"Regarding the conditions on which the gift should be presented,—the first should be that due provision should be made for its permanent protection, and that freedom of access be afforded to all properly recommended and practically interested persons.

"The sets should be assigned in trust to the chief commercial authorities in the selected places, for the use not only of those connected with the

district in which they are deposited, but of non-residents also, who can show a practical interest in Textile manufactures. The proposed plan of sending seven of the sets to India diminishes the number of commercial centres in this country which will receive a copy, and it therefore becomes more necessary that those which do get one should be required to make it easy of access to agents, merchants and manufacturers who reside in those which do not."

It was made a condition that the authorities in the selected districts should undertake :

"That access to the work be given to any person bearing an order to that effect signed by the President, Vice-President, or Secretary of the Society of Arts; the Presidents, Vice-Presidents, or Secretaries of the Chamber of Commerce; the Chairman or Secretary of the Association of the Chamber of Commerce, the President, Vice-President or Secretary of the Cotton Supply Association, the Chairman, Vice-Chairman or Secretary of the Cotton-Brokers' Association; the Chairman, Vice-Chairman or Secretary of the Liverpool East India and China Association; by the Presidents, Vice-Presidents, Chairmen, Vice-Chairmen, or in Textile Manufactures. The proposed plan of Secretaries of such other Associations for the promotion of Commerce as now exist or may hereafter be formed; and by the Reporter on the products of India."

So it was not difficult for any one to consult the work in Great Britain. But in India the existence of this work is hardly known to 999 out of 1,000 educated persons —much less to the weavers and other uneducated artisans. It would be interesting to know if the sets deposited in India have ever been consulted by even any educated Indian. These might have been consulted by some interested Anglo-Indians but not, we think, by any educated native of this country.

Since these sets were prepared at the cost of India and now, thanks to the Swadeshi movement, that an impetus has been given to the textile industry in this country, is it not time and is it not fair and just that all the thirteen sets which are in Great Britain should be brought to India and kept in important centres of commerce and industry in this country? As a first step, may we not demand that the existence of the seven sets in India should be made widely known? They should be made easily accessible to all Indians actually engaged in manufacturing textile fabrics.

These twenty sets of 18 volumes each

were to be "regarded as *Twenty Industrial Museums*, illustrating the Textile Manufactures of India, and promoting trade operations between the East and the West, in so far as these are concerned."

Of course, it was meant more to benefit the West than the East and this Dr. Watson himself admitted, for he wrote :

"The interests of the people in India, as well as those of the people at home, are concerned in this matter, and *both interests must be considered*. Our remarks in the first instance, however, will apply more particularly to the latter.

"About two hundred millions of souls form the population of what we commonly speak of as India; and, scant though the garments of the vast majority may be an order to clothe them all would try the resources of the greatest manufacturing nation on Earth. It is clear, therefore, that India is in a position to become a magnificent customer.

* * * *

"If we attempt to induce an individual or a nation to become a customer, we endeavour to make the articles which we know to be liked and, indeed, these we offer for sale. We do not make an effort to impose on others *our own tastes and needs*, but we produce what will please the customer and what he wants. The British manufacturer follows this rule generally; but he seems to have failed to do so in the case of India, or

to have done it with so little success, that it would almost appear as if he were incapable of *appreciating* Oriental tastes and habits.

"There are probably few things beyond the understanding of our manufacturers, but it will be admitted that some education in the matter is necessary, and that without it the value of certain characteristics of Indian ornament and form will not be properly realized. This supposes the means of such education to be readily accessible, which hitherto has not been the case, simply because manufacturers have not known with any certainty what goods were suitable. To attain to skill in meeting Eastern tastes and Eastern wants will require study and much consideration even when the means of study are supplied but up to the present time the manufacturer has had no *ready opportunity* of acquiring a full and correct knowledge of what was wanted.

"The deficiency here alluded to, will, we believe, be supplied by these local Museums.

* * * *

"The 700 specimens (and we again point out that they are all what is called working *samples*) show what the people of India affect and deem suitable in the way of textile fabrics, and if the supply of these is to come from Britain, they must be *imitated there. What is wanted, and what is to be copied to meet that want*, is thus accessible for study in these museums."

Thus it was all from motives of philanthropy that specimens of Indian textile

fabrics were made accessible to the manufacturers of England!

But even up to the year 1866, the Indian weaving industry had not totally ceased to exist, for Dr. Forbes Watson wrote :

" . . . . The British manufacturer must not look for his customers to the upper ten millions of India, but to the hundreds of millions in the lower grades. The plainer and cheaper stuffs of cotton, or of cotton and wool together, are those which he had the best chance of selling, and those which he would be able to sell largely if in their manufacture he would keep well in view the requirements and tastes of the people to whom he offers them.

* * * *

"We know India now-a-days as a country whose Raw Products we largely receive. We pay for these partly in *kind* and partly in *money*: but India never buys from us what will repay our purchases from her, and the consequence is that we have always to send out a large difference in bullion, which never comes back to us, disappearing there as if it had been dropped into the ocean. We buy her Cotton, Indigo, Coffee, and Spices; and we sell her what we can in the shape of Textile and other manufactures. It must not be forgotten, however, that there was a time when India supplied us largely with Textiles. It was she who sent us the famous Longcloths, and the very term *Calico* is derived from *Calicut*, where

they were made. She may never resume her position as an exporting manufacturer of goods of this sort, ... This is clear, however, that it will be a benefit to the masses of the people of India to be supplied with their clothing at the cheapest possible rate—let this be done by whom it may. If Great Britain can give Loongees, Dhotees, Sarees, and Calicoes to India which cost less than those made by her own weavers, *both* countries will be benefited. . . . .

"The machinery and skill of Britain may thus do a present service to India by supplying her with material for clothing her people at a cheap rate, an end to which these *collections* must certainly lead by showing the home manufacturer what it is that the natives require." *

* In this connection it is necessary to remind our readers what Mr. Tierney, a member of the House of Commons, said in a speech delivered in that House as far back as 1813:

"The general principle was to be that England was to force all her manufactures upon India, and not to take a single manufacture of India in return. It was true they would allow cotton to be brought; but then, having found out that they could weave, by means of machinery, cheaper than the people of India, they would say, "Leave off weaving; supply us with the raw material, and we will weave for you,' this might be a very natural principle for merchants and manufacturers to go upon, but it was rather too much to talk of the philosophy of it, or to rank the supporters of it as in a peculiar degree the friends of India. If, instead of calling themselves the friends of India, they had professed themselves its enemies, what more could they do than advise the destruction of all Indian manufactures?"

Regarding this act of philanthropy one Christian officer wrote :

"Everyone knows how jealously trade secrets are guarded. If you went over Messrs. Doulton's pottery works, you would be politely overlooked. Yet under the force of compulsion the Indian workman had to divulge the manner of his bleaching and other trade secrets to Manchester. A costly work was prepared by the India House Department to enable Manchester to take 20 millions a year from the poor of India; copies were gratuitously presented to Chambers of Commerce, and the Indian ryot had to pay for them. This may be political economy, but it is marvellously like something else."

(Major J. B. Keith in the *Pioneer*, September 7, 1898.)

It is much to be regretted that no writer on Indian economics has so far referred to the part which the holding of Exhibitions and the distribution of specimens of the textile manufactures of India have played in ruining the weaving industry of India. Perhaps the imposition of the tariff and the transit duties would not and could not have so effectually destroyed Indian industries, had not the authorities made the Indian artisans divulge their secrets to the manufacturers of England under compulsion.

Owners of cotton mills and hand-loom factories all over India should move in the matter in order that (1) the seven sets of Indian textile manufactures already in India may be made easily accessible to Indian manufacturers and (2) the thirteen sets in Great Britain may be restored to India and placed in suitable centres here. This will help greatly in the revival of genuine Indian patterns and colours.

CHAPTER VII

BRITISH CAPITAL IN INDIA

The fiat has recently gone forth from the non-official European community in India that nothing approaching the right of self-government should be granted to Indians, unless it can be proved to demonstration that the interests of British capital will not in the least suffer in a home-ruled India; which practically means that European traders, planters and manufacturers in India must continue to enjoy all the fair and unfair opportunities and means of exploiting the resources of this country which they have hitherto enjoyed, whatever constitutional changes may be proposed to be introduced. It seems necessary, therefore, to examine to what extent and in what sense the capital invested by Europeans in India is British and also whether such investment has been entirely or mainly advantageous to Indians. Another line of investigation which ought to be taken up is whether the investment of British capital was necessary in the interests of India. In this chapter we propose

to confine ourselves mainly to some observations on the first aspect of the question.

When the East India Company gradually became masters of Bengal and other parts of the country, it was not a land of paupers. There was plenty of capital in the country. We shall prove this fact from the writings of English authors. Walter Hamilton, a "semi-official" writer, says in his *East India Gazetteer* (Second Editiôn, London, 1828, Vol. I, p. 214) :

"Under the Government of the two last legitimate viceroys (of Bengal) Jaffer Khan (*alias* Murshid Kuli Khan) and Sujah Khan, who ruled in succession nearly forty years, the state of the country was eminently flourishing, and the taxes little felt, although the annual tribute remitted to Delhi was usually a crore of rupees. . . . . Even after the usurpation of Ali Verdi Khan, the Zamindars were so opulent as at one time to make him a donation of a crore of rupees and another of fifty lakhs, towards defraying the extra expenses incurred in repelling the incursions of the Marhattas."

The prosperity of India was due to the perennial influx of the gold and silver of all and artificial products. Says the historian the world for the purchase of her rich natural Dr. Robertson :

"In all ages, gold and silver, particularly the latter, have been the commodities exported with the greatest profit to India. In no part of the earth do the natives depend so little upon foreign countries, either for the necessaries or luxuries of life. The blessings of a favourable climate and fertile soil, augmented by their own ingenuity, afford them whatever they desire. In consequence of this, trade with them has always been carried on in one uniform manner, and the precious metals have been given in exchange for their peculiar productions, whether of nature or art"—*A Historical Disquisition Concerning India*, New Edition (London, 1817), p. 180.

Again :

"In all ages, the trade with India has been the same; gold and silver have uniformly been carried thither in order to purchase the same commodities with which it now supplies all nations : and from the age of Pliny to the present times, it has been always considered and execrated as a gulf which swallows up the wealth of every other country, that flows incessantly towards it, and from which it never returns." *Ibid.*, p. 203.

The following extract from another English writer will show that Bengal enjoyed the greatest share of this general prosperity :

". . . . In Bengal, however, from being in every part intersected by navigable rivers inland

trade was transported by water carriage with much more expedition, and at a much less expense than by the caravans; and this great advantage, together with the extraordinary fecundity of the soil, produced by those rivers, and the superior industry of the inhabitants, rendered this province in all ages by far the most prosperous and wealthy in the whole country."—*Asiatic Annual Register*, 1801, p. 16.

When Clive entered Murshidabad in 1757, he wrote of it :

"This city is as extensive, populous and rich as the city of London, with this difference, that there are individuals in the first possessing infinitely greater property than in the last city."

The extracts given above prove that the English came into possession of a wealthy country. Much of this wealth flowed to England in various ways, and not only made the country wealthy but added immensely to its wealth-producing capacity. The vast hoards of Bengal and the Karnatic being conveyed to England enabled her to become industrially supreme. In his work entitled "The Law of Civilization and Decay" (Sonnenschein, London) Brooks Adams writes :

". . . . The influx of the Indian treasure, by adding considerably to the nation's cash

capital, not only increased its stock of energy but added much to its flexibility and the rapidity of its movement. Very soon after Plassey, the Bengal plunder began to arrive in London, and the effect appears to have been instantaneous, for all the authorities agree that the 'industrial revolution,' the event which has divided the nineteenth century from all antecedent time, began with the year 1760. Prior to 1760, according to Baines, the machinery used for spinning cotton in Lancashire was almost as simple as in India; while about 1750 the English iron industry was in full decline, because of the destruction of the forests for fuel. At that time four-fifths of the iron used in the kingdom came from Sweden.

"Plassey was fought in 1757 and probably nothing has equalled the rapidity of the change which followed. In 1760, the flying shuttle appeared, and coal began to replace wood in smelting. In 1764, Hargreaves invented the spinning-jenny, in 1776, Crompton contrived the mule, in 1785, Cartwright patented the power-loom, and, chief of all, in 1768, Watt matured the steam engine, the most perfect of all vents of centralising energy. But, though these machines served as outlets for the accelerating movement of the time, they did not cause that acceleration. In themselves inventions are passive, many of the most important having lain dormant for centuries, waiting for a sufficient store of force to have accumulated to set them working. That store must always take the shape of money, and money, not hoarded but in motion. . . . . Before the

influx of the Indian treasure, and the expansion of credit which followed, no force sufficient for this purpose existed: and had Watt lived fifty years earlier, he and his invention must have perished together. . . . . Possibly since the world began, no investment has ever yielded the profit reaped from the Indian plunder, because for nearly fifty years Great Britain stood without a competitor. . . . . From 1694 to Plassey (1757) the growth has been relatively slow. Between 1760 and 1815 the growth was very rapid and prodigious. Credit is the chosen vehicle of energy in centralised societies, and no sooner had treasure enough accumulated in London to offer a foundation, than it shot up with marvellous rapidity. The arrival of the Bengal silver and gold enabled the Bank of England which had been unable to issue a smaller note than for £20 to easily issue £10 and £15 notes and private firms to pour forth a flood of paper."—*The Law of Civilisation and Decay*, pp. 263-64, quoted in Digby's *Prosperous British India*, pp. 31-33.

The material origin, then, of Great Britain's industrial prosperity, and, therefore, in great part of her capital, must be sought in her connection with India. It has been estimated that between Plassey and Waterloo some £1,000 millions flowed from India to England.

We are hence driven to conclude that Sir

George Birdwood used merely the language of sober truth when he wrote :

"India has done everything for us, everything that has made these islands, as insignificant on the face of the globe as the islands that made up Japan, the greatest empire the world has ever known, and for this we owe undying gratitude to India."

Let us now turn to some facts relating to the days of the East India Company to ascertain the nature of the "British" capital then invested in India. In the course of his examination before the Parliamentary Committee on the 30th March, 1832, Mr. David Hill was asked.

"377. Where does the capital employed by the indigo-planters come from?"

and he replied :

"It is accumulated in India exclusively."

Besides Mr. David Hill, several other witnesses also stated that little or no capital had been or would be brought out from England to India. Thus Mr. W. B. Bayley, in his examination before the Parliamentary Committee on the 16th April, 1832, in answer to question No. 919, said :

"My opinion that no capital will be brought from England into India arises from little or none

having been brought hitherto, even at periods when interest has been at a much higher rate than it now is."

Then he was asked :

"920. Do you think more capital would not go to India if the restriction on Europeans resorting to India was altogether taken away?—I do not think that capital would be sent from England, but I think that capital which would be otherwise remitted to England would probably remain in India."

Captain T. Macan also in his examination on the 22nd March, 1832 was asked :

"1435. Would Europeans be likely to invest their capital in works of that sort?—I think there is much error upon the subject of European capital in India.

"1436. Under the existing law that restricts intercourse with India, is it probable in your opinion, that any companies would be found to undertake such works?—I think Europeans who have *acquired capital in India*, might undertake such public works, with proper encouragement; but I scarcely can anticipate so much enterprise and risk as to take capital from England to invest in such speculations: *in truth, capital is, I believe, never taken from England to India; it is made there and remitted home.*"

It was then at that time somewhat of a myth that European sojourners brought any capital from England to India. Things may

or may not have changed since then; but we want an impartial Parliamentary Committee of enquiry to bring the true facts to light.

As regards the necessity and the advantages to the people of India of the investment of British capital in India, Mr. Rickards truly said in his evidence before the Commons' Committee on East India Affairs, in 1830, that—

"India requires capital to bring forth her resources, but the fittest capital for this purpose would be one of native growth, and such a capital would be created if our institutions did not obstruct it."

We may now reasonably ask, if there has been an influx of British capital into India since the replies given by the witnesses before Parliamentary Committees, quoted above, and if so, by what process that capital has been brought into existence. It should be remembered that a century ago India was rich in industries, and her trade, both internal and external, was also very great. But how "the enlightened selfishness" of the people of England of those days effected the ruin of Indian trade and industries has been told in the pages of this book. The people of this country had no outlet for their capital

to invest in any industry and so were obliged to deposit it in banks which were at first Government concerns. The Hon'ble Mr. Frederick Shore wrote in one of his "Notes on Indian Affairs":

"We have for years been vaunting the splendid triumph of English skill and capital in carrying cotton from India to England, and after manufacturing it there, bringing the cloth to India and underselling the natives. Is this anyway surprising, under such an intolerable system (of transit duties and search houses) as is above described; and while the staples of India are almost proscribed at home? In fact, if this be continued much longer, India will, ere long, produce nothing but food just sufficient for the population, a few coarse earthen-ware pots to cook it in, and a few coarse cloths. Only remove this incubus, and the tables will very soon be turned. The other is the great self-complacence with which we talk of the confidence reposed by the people in our Government, judging from the large sums which they invest in the Government funds. What are they to do with their money? . . . . Government, in their ignorance, have done all they can to annihilate trade and manufactures, which they will, unless they change their measures, accomplish in a few years more (the number of boats laden with goods which used to leave Furrukhabad twelve years ago, was at least *treble* what it is at present). Five or even four per cent. is better than nothing; but it needs not the

gift of prophecy to foresee, that . . . . if the landed tenures in the North-Western Provinces were placed on a footing of security and if trade and manufacture were tolerated,—they do not require *encouragement* but only to be exonerated from the present customs and duties,—not only would Government be unable to borrow at such low interest, but the price of the existing funds would speedily fall."

Things are not very much better even now. The Indian people mostly invest their money in Government Promisory Notes at 3½ per cent. interest. No one ever seems to take the trouble to inquire what becomes of the money which is invested in government papers and deposited in banks managed by government, such as the Postal Savings Banks, and the Imperial Banks with their branches in some of the important towns of this country. These banks advance money to European firms, who make enormous profits in their business, and this serves to propagate stories of the importation of British capital into India.

One of the opinions and recommendations of the Royal Commission on Indian Currency and Finance was that "the proper place for the location of the whole of the

Gold Standard Reserve is London." Why? Is there any other country on the face of the globe of which crores of rupees are kept in a distant foreign country? Do the British colonies keep any of their reserves in London? Why is the Indian Reserve kept in London but for the advantage of the British people, including the British exploiters called British capitalists?

The Currency Commission have also said :

"We recommend that the Government of India should make a regular practice of granting loans to the Presidency Banks from their surplus balances in India against security on terms to be negotiated with the Presidency Banks."

Why are these banks favoured in this way, and not others? It is well-known that British exploiters in India can and do obtain loans from the Presidency Banks on easy terms; Indian merchants are not accommodated in this way. Thus the Indian people's money masquerades as British capital.

The Commission, while saying that "The Secretary of State sells Council Drafts, not for the convenience of trade, but to provide the funds needed in London to meet the

requirements of the Secretary of State on India's behalf," admit in the very next paragraph that "The India Office perhaps sold Council Drafts unnecessarily at very low rates on occasion when the London balance was in no need of replenishment." Did not these unnecessary sales at very low rates result in the convenience of British trade? Verily, as Lord Curzon said, though in a somewhat different sense, administration and exploitation are only different aspects of the work of the British people in India.

It should not be also forgotten that some of the industries mostly owned by Britishers in India have received and are receiving substantial subsidies from the Indian Government out of the revenues paid by the natives of this country. Take, for instance, the case of tea plantations. How the tea-planters were assisted in this industry will be evident from the following questions put to and the answers given to them by Mr. J. Freeman, who appeared as a witness before the Select Committee on Colonization :

"1922. Are you not aware that both in Assam and Kumaon the Government established tea-plantations for the express purpose of trying

experiments, for the sake of the settlers, and with the avowed object of handing over their plantations to the settlers, as soon as the experiment had been shown to be successful, and as soon as settlers could be found willing to take them?—That is what I refer to; that in the first mooting of the cultivation of tea the Government took the intiative and encouraged it, and went to some expense in taking the necessary steps towards it."

Government also very generously offered to assist the iron manufaeturers of England if some of them were to come to settle in India. Thus the same witness was asked :

"1927. Are you aware that the Government have recently sent out a gentleman conversant with the iron manufacture, and with him several assistants, to the province of Kumaon, to introduce the iron manufacture there?—I have read of it, but we offered to do everything at our own expense.

"1928. And the Government have stated that, as soon as the experiment is shown to be successful, they are willing to hand over the works to any Englishman that will undertake them?—Yes, that may be . . . . ."

Even at present Government are doing much in the way of experimenting to help the European indigo-planters and sugar-planters; and the experiments are carried on

with Indian money. Other instances may be given, but we refrain.

It will be worthwhile for some Hon'ble member of the Central Legislature to ask a question about the amount of subsidy which the Indian Government pays directly or indirectly to the different industries which are owned and managed by the Britishers in this country.

India did not require any capital from England for development in this country. If Britishers have invested any capital in India, it was not because India wanted their capital, but because they wanted to enrich themselves at the expense of the Indian people and to take advantage of the helpless position in which they are placed.

In our opinion, British capital in India is largely a myth and even the existence of it (if true) does not entitle the Britishers to enjoy any undue political privilege.

CHAPTER VIII

Indian Factory Legislation

The English manufacturers having set their hearts on the destruction of Indian industries are trying to do this under the guise of philanthropy. The factory laws which are enacted from time to time are an instance in point. The manufacturers compel the Indian authorities to make laws some of which at any rate are certainly not called for in India and which do not benefit those in whose interests they are ostentatiously undertaken. The repeal of a low duty on the manufactured cotton goods of Manchester, the coercion of the Indian Government to impose an import duty on the American long-stapled cotton which was necessary for the Indian spinners to mix with their short-fibred one, the forcing of the Hindus and the Muhammadans to observe the Christian Sabbath for the labourers in their factories, although the number of their own festivals on which they stop work is more than that of the Sundays observed in

Christian countries, are a few of the long list of measures inflicted on India. The cry is, more factory acts are still to come.

Have those philanthropists of England whose hearts bleed for the so-called hard lot of the Indian factory hands and who are, therefore, leaving no stone unturned to make them happy, ever turned their attention to the lot of the clerks and those servants who are on the ministerial and menial establishments of the British Indian Government and done anything to remove their grievances and better their condition of existence? Why, the subordinate judicial service—composed of Graduates who understand and administer law and justice better than the members of the Indian Civil—the Heaven-born—Service, as it is called, is very badly paid and is overworked, with the result that many fall victims to various ailments—most notoriously diabetes, and yet nothing has been attempted so far to inquire into their state of affairs or ameliorate their condition. The employees of the subordinate medical, postal, and telegraph departments are not treated so well as their comrades are in other civilized countries—it would not be

a strong expression to say that they are regularly sweated—and yet the hearts of the philanthropists are bleeding for the Indian factory hands and not for others.

The laws in operation in the tea gardens of Assam were such that even the late Babu Kristo Das Paul, C.I.E., was obliged to refer to them as legalising slavery. The coolies worked under conditions which were hardly better than those of slaves. Yet because these gardens were mostly owned by Englishmen, therefore, the philanthropists of England did not raise their little finger to have those laws repealed or altered or to make the lot of the coolies happy. It is an open secret that Sir Henry Cotton did not get the office of Lieutenant-Governor that was his due, because he tried to ameliorate the condition of these coolies.

In a country where millions have to thank their stars if they can get even one scanty meal a day, regulating the hours of labour in the case of the mill-hands, whose long hours are voluntary, is entirely uncalled for and can by no stretch of language be called philanthropic.

England became a great manufacturing country. Lancashire contributed to the national wealth of England by becoming the seat of cotton industries. Spinning jennies and power looms were employed in those industries, and with these it was impossible for even the cheap labour of India to successfully compete. But then, could not India have built factories like those of Manchester? No, because the "enlightened selfishness" of the philanthropists of England did not permit the importation of cotton spinning and weaving machinery into India until 1850. Between the renewal of the Charter of the East India Company in 1813 and 1850, laws were enacted which had the effect of completely destroying Indian cotton industries. and hundreds of thousands—if not millions —of weavers were thrown on the over-assessed land to eke out a miserable existence.

Mr. Tierney in the course of his speech in the House of Commons observed, the natives of England said to those of India:

"Leave off weaving: supply us with the raw material and we will weave for you."

It was understood that India was to monopolize the supply of cotton to England. But

it was soon found out that the Southern States of America, where slave labour greatly flourished, could supply England with cotton on better terms than India. The English cotton spinners demanded the free import of the long-stapled American cotton, which was secured to them. So the market for cotton in England was closed against India, and this meant ruin for the Indian cultivator.

It was at this time that the orator, Mr. George Thompson, commenced delivering lectures to large audiences in the industrial towns of England on various topics connected with the history and the existing state of the British dominions in India. To these audiences he appealed that England should give up its connection with America, which employed slave labour for the growth of cotton, and patronize India for raw materials. But the merchants of England only sought profit and were not to be moved by sentiment.

It was after the outbreak of the Civil War in America in 1863, that England had to turn her attention to India for cotton. But after the termination of the war, England again began to import that commodity from America.

It is the crushing of India's cotton industries and the dependence of the millions of her population for their subsistence on the soil which should be looked upon as one of the chief factors in the causation of the recurrent famines dislocating numberless households and spreading ruin and disaster throughout the length and breadth of this country.

CHAPTER IX

WHY IS SELF-GOVERNMENT DENIED TO INDIA ?

India is England's milch cow. Whether India obtains perfect independence or the Dominion System of Government, the result will be the same to England. It will mean India to a large extent for Indians. What will become then of the " boys " of England? We ask all Indians to ponder over the following, which is quoted from an article in the now defunct London *Statesman* from the pen of the late Robert Knight :

" But the benefits arising from our empire are far from being confined to the mercantile classes. They are shared by all classes in England, from the peer to the peasant. Viceroyalty and the subordinate Governorships of the Presidencies are the ambition of the peers of the realm, the chief prizes the Crown has to bestow in the whole breadth of its dominions. Then there are Lieutenant-Governorships of territories equal in population and extent to all France; half a dozen Commissionerships of provinces hardly less important; a host of Councellorships, Embassies, Collectorships, Magistracies, and Judgeships, with incomes almost princely in

amount, and a thousand civil appointments subordinate to them.

"If we turn to the field which India offers to the professions, we find English lawyers filling the highest judgment-seats of the country with jurisdiction over territories the half of Europe in extent; English lawyers filling the positions of Administrators-General, Advocates-General, Masters in-Equity, Legal Remembrancers, Judges of the Small Cause Courts, and crowding the bar of each Presidency for the administration of English law.

"So again with the medical profession, of the 1000 to 1200 physicians and surgeons in India labouring with a prospect more or less of a competency. Nor may we avoid mention of the Church, the Missionary body, and the colleges which absorb between them a large body of educated gentlemen, and provide for the education of their families.

"Again, all we have asserted of the above classes may be affirmed of the body of gentlemen who constitute the officers of the united Indian Army . . . The same may be said of the Education Department of the country . . . How vast a field is the Indian empire opening to our engineering and railway enterprise, from the humblest skilled workman it is necessary to employ, to the scientific head that organises it."

Any measure of self-government for India seems to be incompatible with the pecuniary interests of England. The author

of the pamphlet, *India for Sale : Kashmir Sold*, wrote :

"We do not appear to realise the fact that the loss of India will assuredly deprive us of all our Eastern trade, and yet it is easy to see that it will be so: for not only will the marts of India be closed against us if we lose it—as firmly closed against us as are those of Central Asia now—but besides this, India, *with its raw produce and its people skilled in manufactures from of old, will soon, under a system of protection, become a great manufacturing nation.—will soon with its cheap labour and abundant supply of raw material supplant us throughout the East.*" (Page 4 of *India for Sale : Kashmir Sold*, by W. Sedgwick, Major, R. E., Calcutta, W. Newman & Co., Ltd., 1886. Price 12 annas.)

Said the Marquis of Dufferin in one of his speeches in England :

"Indeed, it would not be too much to say that if any serious disaster ever overtook our Indian Empire, or *if our political relations with the peninsula of Hindustan were to be even partially disturbed, there is not a cottage in Great Britain —at all events in the manufacturing districts—which would not be made to feel the disastrous consequences of such an intolerable calamity :— (Cheers).*" (Lord Dufferin's Speeches in India," John Murray, p. 284).

If India were granted any form of self-government, would not England's political

relations with her be greatly disturbed? Since the inauguration of the Swadeshi *cum* boycott movement, the manufacturing districts of Great Britain have been made to feel the disastrous consequences of the intolerable calamity. Was it not hinted very broadly in the questions which were put by a certain honourable member of Parliament to the Under-Secretary of State for India that the deportations of some of the Bengalee gentlemen were due to their taking an active part in the Swadeshi propaganda? The Under-Secretary of State could not deny this.

Any form of self-government in India will encourage home industries either by preferential tariff or boycott. And this will not do for the prosperity of the "nation of shopkeepers." Wrote an English author :

"The military aggrandisement of the (Chinese) Empire, which would provoke general resistance, is in fact, less to be dreaded than its industrial growth, which other nations will be, to some extent, interested in maintaining." (Pearson's *National Life and Character*, p. 141).

Under such circumstances what wonder that every sort of real self-government has been denied to the people of India?

CHAPTER X

HOW ENGLAND LOOKS AT INDIA

Due to the Imperial Preference lately accepted by Great Britain, the outlook of Indian Industry is gloomier than before. Mr. Iqbal Bahadur Saksena, writing in *The Wealth of India* in December, 1918, says :

"England has accepted the principle underlying Imperial Preference in commercial and industrial matters. It means that England has realised that it can no longer remain wedded to Cobdenism, that free trade stands to undermine the industrial supremacy of England, that some sort of protection is absolutely necessary so that British industries may be prevented from falling into the hands of enemies after the war, and that it is also necessary that supplies from within the British Empire should be used in the countries forming the British Empire. It means further that the cry of India that protection is necessary for the progress of Indian industries,—no, no, even for the upkeep and expansion of struggling industries,—was reasonable; that if India is to make industrial progress, some sort of protection will be found to be absolutely necessary for its industries. present and yet to be born; and that when England, with so much capital, so thoroughly trained and organized labour and so

efficient in organization and direction of industry, finds it necessary to adopt some policy of protecting its industries from trade harpies, it stands much more to reason that protection and complete protection be afforded to Indian industries in India.

"To safeguard the vital interests of this Indian Industrialism therefore, discriminate State aid to Industries, such as that granted to Tata Iron Works, and protection from unequal, unfair and destructive foreign competition must be allowed.

"The Home Government has adopted the policy of preference to modified protection and the principle underlying this adoption is the supply of raw materials. It is to ensure the supply of raw materials at a cheap price and to prevent them from falling into the hands of competitors that preference has been adopted. India is the greatest producer of all sorts of raw materials. Since trade between India and England will be free to the extent desired by England, which is the centre of the Empire, therefore, it is reasonable to assume that raw materials going from India to England will be free of duty, and similarly manufactured goods coming from England to India will also be free of duty. Thus the Industrial position and supremacy of England will be assured, for her raw materials will be had at the cheapest price and consequently her manufactured goods will also be sold at the cheapest price in the best market of the world, while her competitors, whether Western or Eastern,

will have to pay double duty on their goods, once when they import their raw materials and next when they export goods to India. This double duty will have the influence of first increasing the cost of raw materials exported from India to foreign countries, that is, countries outside the British Empire and then of increasing the price of manufactured goods imported from those countries by the amount of the duty which will be imposed if they compete with indigenous goods. Thus India will be protected against those countries which are not included in the British Empire and which will compete with her. But the much-desired protection against England is not likely to be afforded. Roughly before the war 40 per cent. of the export trade and 60 per cent. of the import trade of India was with England. India exported 60 per cent. of her raw materials to countries outside the British Empire and imported 40 per cent. of manufactured goods from the same. The change in trade policy under consideration will have the effect of diverting the greater portion of the export trade of India and still greater portion of her import trade into the hands of those within the Empire able to take advantage of the changed circumstances, and apparently no other than England is at present capable of doing so. India for the present and for some time more to come cannot be said to be in a position to change her industrial aspect herself.

"We see, then, there remains a very meagre chance for the industrial improvement of India.

India will have to make certain sacrifices in order that the Industrial supremacy of England may be maintained. England is the heart of the Empire. To keep the Empire stable it is necessary that the heart be kept sound and in a flourishing condition. We may say as to this, that, if England stands to the Empire as the heart does to the body, then surely England ought to perform the same functions to India and other parts of the Empire as the heart does to the body. The manifest conclusion from this is that, since India stands in urgent need of industrial progress, it is necessary that the supplies of pure heart-blood should be made to flow to this neglected part more and more so that it may be able to perform its local functions satisfactorily and then be ready to render as much assistance to the heart as will lie in its power when the need or occasion for such assistance arises. In plain terms this means that money-capital, more machinery, more efficient labour should come from England to India, work together for the good of India, with no end in view but the industrial regeneration of India."

In his well-known work on *Social Reconstruction* (p. 120), Bertrand Russell writes :

"Central African natives accustomed to living on the raw fruits of the earth and defeating Manchester by dispensing with clothes, are compelled to work by a hut tax which they can only pay by taking employment under European capitalists."

The above should be read along with what the *Morning Post* of London wrote in a recent issue of that paper.

"We have a direct concern in India, because it is one of the chief markets of the world. We went there as traders and, despite all the fine talk of our modern highbrows, that is still the material basis of our rule which might be put in the sentence: 'We give you protection and you buy our goods.' If we abandon India it will not be only the Indians who will suffer, but the twelve million people of Lancashire, and indeed our whole industrial system which will be affected. After all, when all is said, this nation must live. That is the first consideration, and we see no other way in which this nation can live upon these little islands save by industry and trade."

This will explain why picketing of shops trading in foreign cloths is considered a great crime by Britishers in India and for which heavy sentences have been passed on men like Pandit Jawaharlal Nehru and others. While the most important "concessions" under the "Reforms" are latent, repression is patent to all. We should be prepared for more and more of it, if the cult of the *Charka* and spinning and weaving spread more and more and reduction in the import of Manchester manufactures takes place in this country.

India is looked upon as the happy hunting ground for the Britishers, a market for British goods, and "the brightest jewel in the British crown." In "*Our Social, Heritage*," first published in 1921, Mr. Graham Wallas writes :

"A Middlesborough iron-moulder will be more likely to vote for a kind and wise policy in British India if he thinks of India, not as the brightest jewel in the British Crown, but as three hundred million human beings for whose fate he has his share of personal responsibility, who are troubled each week more keenly than he is troubled about food and clothing and housing, and some times feel, though less often than he feels, the vague stirrings of political and social hope."

But will or can those voters of England to whom India exists merely or chiefly for the exploitation of her resources by their kith and kin easily change their mentality regarding the welfare of the people of this country?

CHAPTER XI

WHAT IS TO BE DONE ?

To encourage Indian industries we have to practise Swadeshi and boycott.

Swadeshi and boycott are the two necessary aspects of one and the same thing. One cannot flourish and strive without the help of the other. History does not furnish a single instance of one existing without the other. Whenever any independent nation has tried to foster and develop its home industries—that is " Swadeshi "—it has not been able successfully to do it without practising at the same time the " boycott " of foreign goods. The word " boycott " may not be even thirty years old, but the spirit which it expresses is as old as when man appeared on the face of this planet. When England, now the foremost free trade country in the world, was struggling to build up her industries, she did it by means of the economic " boycott," which means the displacement of foreign goods. Writes the Irish historian Lecky :

"It was only when England had taken her gigantic strides in the direction of manufacturing ascendency, that the pressure of population on subsistence became seriously felt, and the manufacturers gradually assumed the attitude of free trade. No transformation could have been more astonishing or more complete. *Scarcely a form of manufacturing industry had ever been practised in England that had not been fortified by restrictions or subsidised by bounties. The extreme narrowness and selfishness of that manufacturing influence which became dominant at the Revolution had alienated America, had ruined the rising industries of Ireland, had crushed the Calico manufactures of India, had imposed on the consumer at home monopoly prices for almost every article he required.* As Adam Smith conclusively shows, the merchants and manufacturers of England had for generations steadily and successfully aimed at two great objects—to secure for themselves by restrictive laws an absolute monopoly of the home market, and to stimulate their foreign trade by bounties paid by the whole community. The language of the great founder of English political economy illustrates with curious vividness how entirely modern is the notion that the manufacturing interest has a natural bias towards free trade. 'Country gentlemen and farmers,' he wrote, 'are, to their honour, of all people the least subject to the wretched spirit of monopoly. The undertaker of a great manufactory is sometimes alarmed, if another work of the same kind is established within twenty

miles of him. . . . . Farmers and country gentlemen, on the contrary, are generally disposed rather to promote than to obstruct the cultivation and improvement of their neighbours' farm, and estates. . . . . Merchants and manufacturers being collected into towns, and accustomed to that exclusive corporation spirit which prevails in them, naturally endeavour to obtain against all their countrymen the same exclusive privileges which they generally possess against the inhabitants of their respective towns. They accordingly seem to have been the original inventors of those restraints upon the importation of foreign goods which secure to them the monopoly of the home market. It was probably in imitation of them, and to put themselves upon a level with those who, they found, were disposed to oppress them, that the country gentlemen and farmers of Great Britain so far forgot the generosity which is natural to their station as to demand the exclusive privilege of supplying their countrymen with corn and butcher's meat. They did not perhaps take time to consider how much less their interest could be affected by the freedom of trade than that of the people whose example they followed.'

"Such was the relative attitude of the two classes towards the close of the century. But during the French war a great change took place. On the one hand, the necessity of supplying England with food when almost all Europe was combined against her, brought into costly cultivation vast portions of land, both in England and Ireland, which were little adapted for corn

culture, and on which it could only subsist under the encouragement of extravagant prices. On the other hand, the growth of the manufacturing towns produced an extreme pressure of population of subsistence, and a great reduction of the corn duties became absolutely inevitable. Under these circumstances, the manufacturing leaders strenuously supported the agitation for their total repeal. As great employers of labour, it was to them a class interest of the most direct and important character; and by a singular felicity, while they were certain to obtain an enormous share of the benefits of the change, the whole risk and loss would fall upon others. *The movement was easily turned into a war of classes; and the great, wealthy and intelligent class which directed and paid for it, conducted it so skilfully, that multitudes of Englishmen even now look on it as a brilliant exhibition of disinterested patriotism and applaud the orators who delight in contrasting the enlightened and liberal spirit of English manufacturers with the besotted selfishness of English landlords.*"

That England boycotted Irish goods is well-known. But it is not so well-known that she tried a similar trick with Scotland. Lecky says :

"The national poverty and the unhappy position of Scotland could not save it from the commercial jealousy of its neighbour. Though part of the same empire, it was excluded from all trade with the English colonies; no goods

could be landed in Scotland from the plantations unless they had been first landed in England, and paid duty there, and even then they might not be brought in a Scotch vessel. The trade with England itself was at the same time severely hampered."

But the Scotch people did not submit tamely like the Indians and the Irish. Says the same historian :

"Though members of the British Empire, though they bore their part of the burdens and the dangers of the British wars, the Scotch were excluded by their neighbours from all trade with the colonies; and they now resolved to consult exclusively their own interests and dignity. An Act was passed declaring that after the death of the reigning Queen, the Sovereign of Scotland should have no right of declaring war without the consent of the Parliament. Another and still more startling measure, called the Bill of Security, provided that on the death of the Queen without issue, the Estates should meet to name a Protestant successor; but that this should not be the same person who could succeed to the crown of England unless a treaty had been first made securing 'the honour and Sovereignty of the Scotch crown and kingdom, the freedom, frequency, and power of parliaments, the religion, freedom, and *trade of the nation, from English or any foreign influence. . . . .'*

"These were bold measures, and they showed plainly that the spirit of the nation could no

longer be trifled with. Scotland could not directly compel England to grant her free trade, but she could proclaim herself a separate kingdom, and by the assistance of France she might have maintained her position. . . . . 'The whole nation,' said an observer, 'was strangely inflamed, and a national humour of being independent of England fermented strongly among all sorts of people without doors.'"

Imitation is the most sincere form of flattery. Those who think that everything English is good should take a leaf out of the politico-economical philosophy of the English and practise what they do in the matter of encouraging their home industries. Even in the lower house of Parliament which enacted Free Trade, the following remarkable passage at arms took place some forty years ago, between a Minister of the Crown and a Commoner.

Foreign-made goods. In the House of Commons on August 11, 1896.

"*Mr. Mcclure* asked the first Commissioner of works whether the chairs in the Reporters' Gallery and furniture in other parts of the House were of foreign manufacture and why preference was given to foreign over British and Irish trade.

"*Mr. Akers-Douglas.* The only furniture of foreign manufacture in the House of Commons is limited to a number of chairs supplied to the

Press Gallery and this was done some years ago. With this exception, all the articles in use are of British manufacture."

England built up her cotton industry at the expense of India. It was this industry more than any other which immensely contributed to the national wealth of that country. In *The Government of India under a Bureaucracy*, written by John Dickinson, *Jun.*, and published as No. VI, India Reform Tract, in 1853, it was stated :

"Our cotton manufacture now employs one-eighth of the population of the United Kingdom, and contributes one-fourth of the whole national revenue, or more than twelve millions sterling per annum." (P. 67).

It was not the steel or any other industry which has made England so rich and prosperous as the cotton one.

Professor Horace Hayman Wilson was a great friend of Dewan Ram Comul Sen—the grandfather of the famous leader of the Brahmo Samaj and orator, Babu Keshub Chunder Sen. In the course of a letter dealing with the death of Raja Rammohun Roy in England, Wilson wrote to Dewan Ram Comul Sen, that "an Englishman will

sooner lose his life than his money." It is this love of money that made England so unscrupulous in her dealings with India.

The English people, to whom has been entrusted the Government of India, have been always indifferent to Indian affairs. So much so that even Macaulay had to commence his famous *Essay on Clive* by complaining that—

> "While the history of the Spanish Empire in America is familiarly known to all the nations of Europe, the great actions of our countrymen in the East should, even among ourselves, excite little interest. Every schoolboy knows who imprisoned Montezuma, and who strangled Atahualpa. But we doubt whether one in ten, even among English gentlemen of highly cultivated minds, can tell who won the battle of Buxar, perpetrated the massacre of Patna, whether Shuja Dowlah ruled in Oude or in Travancore, or whether Holkar was a Hindoo or a Mussulman."

Since Macaulay's time, matters have not improved. The English are culpably neglecting the interests and welfare of the Indian people. To rouse them to their sense of duty and responsibility regarding India there was no other method surer of success than that of touching their pockets. This

accounted for the genesis of the "Boycott" movement, and that it succeeded was proved by the fact of the closure for a time of over 500 cotton mills of Lancashire. Of course, Englishmen have not yet turned their attention to Indian affairs or tried to right India's wrongs or redress her grievances.

Wherever the growth of nationalities has taken place, the first step necessary for its accomplishment has been without fail the Boycott *cum* Swadeshi movement. We may turn to America. The Colonists on the eve of the revolution and the subsequent formation of a nation had to practise "boycott." That story is so well-known and has been so often told that it need not be repeated here.* Only one extract from Lecky will suffice :

"The merchants of the chief towns entered into agreements to order no more goods from England, cancel all orders already given, in some cases even to send no remittances to England in payment of their debts, till the Stamp Act was repealed. . . . . In order that the colonies might be able to dispense with assistance from

* See *The Modern Review* for June, 1907, page, 534 *et seq. Contemporary India and America on the eve of the Revolution.*

England, great efforts were made to promote manufactures. The richest citizens set the example of dressing in old or homespun clothes rather than wear new clothes imported from England; and in order to supply the deficiency of wool, a general agreement was made to abstain from eating lamb." *

The same story is told by Italy also. Italy was not united; half a century ago, there was no Italian nation in the modern sense of the term. But when there came the awakening of the national consciousness, the Italians, who were smarting under the foreign yoke, forbade their countrymen the purchase of Austrian cigars and lottery tickets, the profits of which went to the Austrian exchequer.†

Dr. Heinrich Friedjung truly observes in his preliminary remarks on the unification of Italy and Germany :

"We must carefully notice that the supporters of the movement for unification both in Germany and Italy were drawn exclusively from the educated classes; but their efforts were powerfully supported by the establishment and expansion of foreign trade, and by the construction of roads and railways, since the separate elements of the

* Lecky's *History of England*, Vol. IV, p. 83.
† *Ibid*, p. 255.

nation were thus brought closer together. The scholar and the author were joined by the manufacturer, who produced goods for a market outside his own small country, and by the merchant who was cramped by Custom-house restrictions." *

The country of the Indian manufacturer is not a small one and so, speaking generally, he has not yet to produce goods for a market outside his own country.

The Swadeshi spirit which brought about the national unity of Germany and Italy has been evoked in India by causes patent to all who can read the signs of the times. The boycott movement which is necessarily a counterpart of Swadeshi is sure to achieve the same end for the cause of Indian nationality as it has done for America and Italy. It is difficult to measure the possibilities of the Swadeshi movement. Even the author of *National Life and National Character* says :

"The supremacy of the inferior races in the future is likely to be achieved by industrial progress rather than by military conquest." †

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* *The World's History,* (Edited by Dr. H. F. Helmholt). Vol. VIII. p. 190.

† Pearson's *National Life and National Character,* p. 99.

Let the prayer go out of the heart of every patriotic Indian that success be to the cause of Swadeshi in India, that the Motherland again rise in prosperity and win the esteem and respect of other nations by the skill of her manufacturing sons and daughters. May Swadeshi and Boycott take such a firm root in the land of the holy *rishis* and sages, whose productions both material and spiritual still excite the admiration of all peoples of the world, that nothing may be able to uproot them. God of all nations, give strength to the people of India to carry on with vigour the campaign of Swadeshi and Boycott till all their efforts be crowned with success and the formation of a United Indian Nation.

The cultivation of Jute should every year be adjusted to requirements. Cotton-growing should be encouraged and its export should be as far as possible put a stop to.

In every household, the Charka should be introduced and every person should be clad in *Khaddar*.

In these lies the salvation of India.

APPENDIX A

Sidelights on the Ruin of Indian Shipping

Sidelights on how the ruin of Indian shipping came about are thrown by some passages in W. S. Lindsay's *History of Merchant Shipping*, Vol. II, in which it is stated :

"In 1789 the Portuguese, who once engrossed the whole of the oriental trade, had but three ships at Canton, the Dutch five, the French one, the Danes one, the United States of America fifteen, and the English East India Company forty, while British subjects residing in India had a similar number. Moreover, a very considerable portion of the trade of the East was then conducted in Indian ships, owned by the natives, by whom as many voyages were undertaken from India to China, and from the coast of Malabar to the Persian Gulf and the Red Sea, as in the days before the passage to Europe by the Cape of Good Hope had been discovered.

"It was not, however, until 1795 that India-built vessels were permitted to convey goods to London. In the course of that year a great number of the Company's ships having been employed in the service of the English government, instructions were sent to the presidencies to engage vessels of India built at 16*l.* per ton for rice and other dead-weight stowage, and 20*l.* for light goods to the Thames, with liberty to take back on their own account whatever merchandise they pleased to the territories of the Company, or to any place within the limits of its charter.

"Many of them having been constructed on speculation, under an impression that they would be permanently employed, although warned by Lord Cornwallis to the contrary, their owners were greatly disappointed when they found that after the immediate wants of the government and the Company had been satisfied their services

were no longer required. English shipowners in the service of the Company inflexibly maintained their monopoly, and having secured stipulations for a number of voyages during successive years, they successfully opposed for a time any innovation of a permanent character upon their chartered rights. The contest, however, which arose between the independent merchants of England, who had combined with the owners of native shipping against the Company on this point, induced the Directors to make various concessions, which were the prelude to the opening of the trade at a future period." Pp 454 & 455.

Perhaps at that future period the "concessions" came too late so far as "the owners of native shipping" were concerned.

The same author writes in the same volume of his work :

"When, in 1796, the Company's charter was again renewed, the important provision was made that all His Majesty's subjects, residing in any part of his European dominions, were to be allowed to export to India any article of the produce or manufacture of the country where they resided, except military stores, ammunition, masts, spars, cordage, pitch, tar, and copper; and the Company's civil servants in India, as well as the free merchants resident there, were permitted to ship, on their own account and risk, all kinds of Indian goods, except calicoes, dimities, muslins, and other piecegoods. But so jealous were the Directors of competition in their commercial operations, that they prevailed on the government to insert various clauses in the new charter whereby neither the merchants of India nor of England generally, nor any of the Company's servants, were allowed to import or export except in ships belonging to or chartered by the Company; appropriating, however, under various restrictions, three thousand tons of space in their ships for the use of private traders, at the reduced rate, in time of peace, 5*l.* outwards, and 15*l.* homewards, for every ton occupied by them in the Company's ships, but stipulating that this rate of freight might be increased

in time of war by the approbation of the Board of Control." Pp. 456-57.

It is stated further in the same book :

"Lord Melville quotes, from a letter written by the Marquess of Hastings to the Company, dated 21st of March, 1812, the following passage, "It will not be denied that the facilities granted by that Act (the Act of 1796) have not been satisfactory, at least to the merchants of this country or of India." Page 457.

APPENDIX B

The Indigenous Iron Industries of India

In Sir George Watt's *Commercial Products of India*, page 692, it is stated :

"There would seem to be "no doubt that the existing manufacture of wrought iron by a direct process was wide-spread in the country before the date of the most ancient historic records, while the manufacture of the ancient *wootz* anticipated by many centuries the cementation process, developed in Europe, for the manufacture of the finest qualities of steel." "The Native iron-smelting industry has been practically stamped out by cheap imported iron and steel within range of the railways, but it still persists in the more remote parts of the Peninsula and in some parts of the Central Provinces has shown signs of slight improvement." (*Imp. Gaz.*, 1907, iii, 145.) According to Mr. Syed Ali Belgrami, the Nizam's Dominions furnished the material from which the famous Damascus blades of the Middle Ages were made. To this day Hyderabad is noted for its swords and daggers."

It does not appear that the British Government in India ever did anything to prevent "the Native iron-smelting industry" from being "practically stamped out." But some glimpses of how the

process of stamping out was accelerated are to be found in Valentine Ball's *Jungle Life in India*, pp. 224-25. where he writes :

November 16th (1869), Deocha—

"In this village there are some native iron furnaces, the sole surviving remains of an industry now well-nigh extinct in this part of the country owing to the restrictions placed upon it by the Birbhum Company, which bought up the sole right to manufacture, and owing also to the royalty subsequently inflicted by the native landlords."

The Birbhum Company, referred to above, was a British Company. The British Government ought not to have sold the sole right to manufacture iron and steel to this company, nor allowed "the native landlords" to inflict a prohibitive royalty. Who, if any interested persons, instigated them to do so, is not stated.

Valentine Ball adds :

"To the best of my belief these furnaces are, for their size and the magnitude of their results, by far the largest and most important in the whole of India. Each furnace could make about 15 cwt. of iron per week; and the total estimated outturn in 1852 from 70 of these furnaces was put down at 1700 tons by Dr. Oldham. The *lohars* or iron-makers here were Hindoos; but further to the north, in the vicinity of the Ramgurh Hills, there is another race of iron-makers, who use the ordinary small furnaces, and are called Cols. It is probable that they are indentical with the Agurians of Hazaribagh and Palamow, whom I shall describe on a future page."

APPENDIX C

How India's Indigenous Paper Industry was Ruined

In the previously mentioned work Sir George Watt gives a brief history of the manufacture and use of paper in different countries of Asia, including India. Coming to the days of the rule of the East India Company, he writes :

"One of the earliest detailed accounts of the Native methods of paper-making in India is perhaps that given by Buchanan-Hamilton (*Stat. Acc. Dinaj.*, 272-73), the material used being jute. Prior to 1840 India obtained a large share of its paper supplies from China. About that date interest was aroused in the subject, and both Hindu and Muhammadan factories for hand-made papers were established all over the country. During Sir Charles Wood's tenure of the office of the Secretary of State for India, an order was issued for the purchase of all the supplies required by the Government of India in Great Britain, and *this threw back very seriously the growing Indian production.*" (P. 866.)

The italics are ours.

Sir Charles Wood was the grandfather of Lord Irwin, the ex-Governor-General of India, and is generally known for his Education Despatch. But he should be remembered also for the order which contributed largely towards the decay of the indigenous paper industry of India.

APPENDIX D

How India's Indigenous Sugar Industry was Ruined

In *The Commercial Products of India* Sir George Watt writes :

"An import duty on Indian sugar, which was practically prohibitive, was imposed by Great Britain. It came to 8s. a cwt *more than was taken on Colonial sugar.*" (P. 958.)

The italics are Sir George Watt's.

He concludes the section devoted to "Exports to Foreign Countries" with the following paragraph, which has the sideheading "Severe Blow" :

"Thus there can be no doubt that a severe blow has been dealt to the Indian sugar industry, which, but for its own immense resources and recuperative power, might have been calamitous. Had England continued to purchase Indian raw sugar, there is little doubt an immense expansion of the area of production, and an enhancement of the yield, would have been the natural consequence. All this is now changed, and sugar represents 53.3 per cent. of the total value of the articles of food and drink imported, and is the second largest single article of importation, the first being cotton piece-goods. Thus the two chief items of India's early export trade have become her greatest modern imports."

Sir George Watt's work, from which the above extracts are taken, was published in 1908 "under the authority of His Majesty's Secretary of State for India in Council," and is, therefore, not a seditious book written by a pestilential agitator.

APPENDIX E

The Ruin of Indian Agriculture

BY PROF. DVIJADAS DUTTA, M.A.

"The best way of worshipping God consists in allaying the distress of the times, and in improving the condition of man. This depends, however, on the advancement of Agriculture, etc." (*Ain-i-Akbari*, p. 12—Blochmann.)

A tea-planter was asked why he did not engage in jute or paddy cultivation. He gave a curt reply: "It would not pay, the cultivator worked for the mere wages of labour." Though our arts and industries have been killed by foreign competition, there is little fear yet of any foreign competition in agriculture, which is already at the lowest ebb,—no, not even in regard to jute, which is so much in demand in the markets of Europe and America. But who knows what the morrow may bring forth. The opening of the Panama Canal, and the marvellous reduction of the cost of production in America from the introduction of scientific methods and improved machinery, may at any time lead to foreign competition even in agriculture, and as it has always happened—when the competition lies between science and improved machinery on the one hand, and empericism and hand-labour on the other,—with the same fatal results as in the case of our arts and industries. There is no time for us to be asleep. (Even now Australian wheat has begun to compete

seriously with home-grown wheat in our markets). We should seriously consider and remove the causes and conditions that have led and are still leading to the ruin of Indian agriculture. However much we may try to impress other people with the high profit to be derived from agriculture, practical people shake their heads, and are sceptical. People with any capital to invest, much as they may talk of it,—never seriously think of engaging in agriculture. We are all busy convincing others, but are not convinced ourselves. 'याक शत्रु परे परे', that is our motto for agriculture. The Zemindar commanding the largest extent of culturable land, the mahajan capitalist rolling in gold, or the successful lawyer —with the highest education that any country can give, in fact all who have money to invest, and brains enough to direct a farm of the most improved and scientific type,—never dream of engaging in agriculture for profit, and very seldom even for a hobby. The agricultural expert, European or Indian, with the highest agricultural training that the world can give, may be busy assuring others of a profit of Rs. 250 per month from a farm of 100 bighas (capital required unknown), while for himself he hankers after a fixed monthly salary, and a cosy berth under the Government. "He came to save others, himself he cannot save."

How the agricultural outlook has changed! European experts may not be aware of it, but how can we forget what we saw with our own eyes? Fifty years ago, there was not a gentleman

owning land in the villages who had not his farm or *khamar* or *nij jot* with perhaps a small dairy which he worked by hired labour under his personal supervision. Why has he cut off his connection with practical farming, arable or dairy, and let out his land to poor ever-indebted cultivators? Why, but to gratify his love of a life free from risk or trouble, and the enjoyment of an "unearned increment," either as money-rent or produce-rent. Everybody knows that farming on one's own account by hired labour is not paying under the existing conditions of our country. Any shrewd man of business, that has money to invest, would rather invest it in loans to the cultivator at a fabulous rate of interest, ranging from 50 to 70 per cent. per annum. With such a sunny prospect of doubling his capital in two years, the village money-lender would be a fool to invest any money in farming on his own account, which cannot, under the most favourable conditions, yield a profit of more than 10 to 15 per cent. per annum. The landed-gentry, the money-lender, or the agricultural expert, one and all, in these days keep as far from practical farming as they would from the devil himself. They will sing the praises of, and go into ecstasies over the profits of agriculture, they will try by all means to tantalise others into it, but they will themselves be always on their guard, as though it were the very "pit that is bottomless." Why should it be so? Because, speaking generally, under the existing conditions, agriculture on a large scale and with profit, is

practically impossible, because Indian agriculture, like the Indian arts and industries, is now in the throes of death. Agriculture which was so profitable in India in olden times that in the *Ramayana* the farmers and stock-breeders of India are said to have been a wealthy class, so well protected by the king that they could sleep with doors wide open. "*Dhano-vantah surakshita serate bibritadvara krishigorakshajivinah*," agriculture which found profitable occupation for the middle class gentleman even so late as half a century ago, is now in the very throes of death in this so-called agricultural country of ours. What could be the causes that have brought about so marvellous a transformation for evil in so short a time?

The reader will perhaps be surprised if he is told that India was a country of peasant-proprietors ages before Switzerland or any country in Europe, that the king in India, though he had absolute right over the lives and properties of his subjects, was not the proprietor of the land,—that he thought it unworthy of his kingly dignity to be ranked with his subjects as the proprietor of this or that patch of land, that agriculture in India was the joint duty and the joint interest of the king and his subjects, the king providing the pasture ground, the agricultural capital, and the facilities for irrigation, at the same time acting as the protector and guardian of the cultivator, and the cultivator providing the labour of agriculture, that it was as much the interest of the king as of the cultivator to obtain the maximum

yield from the soil, for instead of money-rent the king obtained a fixed share of the actual produce in kind. usually a sixth of the produce. If there was a heavy yield, the royal revenues rose; if there was a low yield, the royal revenues fell. How stand we now? The feudalism of Europe has been somewhat clumsily engrafted on the old Indian stock of peasant-proprietorship, "the Zemindar's official position as tax-collector being confused with the proprietary right of an English land-lord," (Hunter), so that the Indian cultivator is half a serf, and less than half a peasant-proprietor—crushed with the duties of both, but without the privileges of either. Let us not be contented with bare allegations, but let us go into evidence.

We have said that in ancient India, the proprietor of the land was not the king, but the cultivator—for the land is said to belong to the man who first clears the land for purposes of cultivation—"*Sthanu chedasya kidaram*" (Manu IX, 44) and that "the forests, hills and holy places are without a proprietor,—and do not admit of being given—"*atavyoh parvatah punyastirthanya yatanane cha sarvanya svamikanyahur na cha teshu parigrahah*" (Usanas Sanhita, V. 16). What was the king and why was rent paid to the king? The king was the protector and guardian of the land, and the rent was paid as a contribution or fee for the help and protection given by the king. "The king deserves one-half of old buried treasure-trove, and of the minerals in the earth, as giving protection,

for he is the guardian and protector over the land"—"*Bhumeradhiputir hi sah*" VII, 39—Manu. The king is not called the Bhusvami or land-owner, but the *adhipati* or guardian and protector of the land. Says the Ramayana: "Great is the sin of the king who while accepting their tribute of the sixth (of the produce) does not protect the subjects as though they were his own sons" (VI-II-Aranya). Says Manu:—"The king who does not protect but takes the sixth share of the produce is called a carrier of all the evil of the world" (Manu VIII, 30). "The king who takes either the rent, the taxes, the presents or the fines, but does not protect, surely goes to hell" (Manu VIII, 307). Manu fixes the royal share as a "sixth, an eighth, or a twelfth" VII, 130. "The share is to be fixed so that the king as well as the worker receive their due rewards—"*yatha phalena yujyeta raja karta cha karmanam*" VII, 128. On this the commentator remarks—"The mutual claims of the king and the cultivator were so adjusted that the king might get the fruits of his supervision and the cultivators or traders the fruits of their labour in cultivation or trade." The king enjoys the sixth part (of the produce)," says the Ramayana, "how should he not protect his subjects?" "*Shar bhagasya cha bhokta san rakshate na projah katham?*" Utt., XXXI, 87. Thus we see that the rent was not an unearned increment paid by the husbandman to the king as the proprietor of particular patches of land, but as a contribution to the sovereign or over-lord of all, which he earned by

the performance of certain duties. It was a right enjoyed by the king for the performance by him of certain duties. What then were the specific duties for the performance of which the rent was paid?

The duties of the king, though generally expressed by one pregnant word, "*Rakshana-bekshana,*"—giving protection and relief, are also distinctly specified, and among other duties, the following are the principal: (1) providing pasture for the cattle. Says the Yajnavalkya Sanhita: "Grazing ground should be reserved as the villagers desire or as fixed by royal command. Between the village site and the arable fields there should be reserved a belt of 100 *Dhanus* (300 cubits) around each village—two hundred *dhanus* in the case of woody villages and four hundred *dhanus* (1 dhanu=3 cubits) in the case of towns (II, 169-170)." Says Manu—"There shall be reserved on all sides of each village a belt of 100 *dhanus* or three throws of the shepherd's stick, and thrice that quantity for towns, there the grazing of cattle shall not be punishable (VIII, 237)." We shall see further on that the provision of grazing ground for cattle by the State was a duty recognised even by the Mohamedan Emperors, though no doubt the extent of the land actually reserved for grazing purposes varied from time to time. There are people still living who will tell you that they themselves saw the last remains of those old grazing grounds around their village, between the arable fields and the village sites.

The second duty of the king was to provide water for irrigation purposes. The Hindu king

shared with his people certain ideas and beliefs regarding the works of merit for the other world which prompted the whole nation, irrespective of caste or class, to render yeoman's service in the cause of the country's agriculture. For every Hindu, whether king or warrior, whether priest or cultivator, the two main gateways of heaven were *Ishta* or performance of sacrifices to encourage sacred learning, and *Purta* or the excavation of tanks, wells, and canals for giving facilities for the development of agriculture: "*Vapi-kupa-taragadi Devatayatanani cha annapradanam aramah purtamityabhidhiyate. Ishtapurtau dwijatinam samanyau dharmasadhanau, Adhikari bhavet Sudrah purte dharmena vaidike*" (Atri, 44). The belief being universal, the duty was also enjoined by the *Sanhitas* for all, and not for the king in particular, though we find both in the Ramayana and the Mahabharata, that the kings always looked upon a prolonged drought as a divine visitation for their own sins, and they moved heaven and earth for timely rains. "*Kalabarshi cha parjanyah*"—when the rains set in timely, it was to the credit of the king. When king Sambarana with his wife Tapati was wandering in the forests, there was no rain in his kingdom for twelve long years, but the moment they returned, the rains set in, causing the crops to grow. We find the sage Narada in his enquiry as to whether the king Yudhisthira had been properly performing his duties to his subjects, thus enumerating the duties of the king: "Have you provided large tanks well filled with water

suitably distributed in each different part of the kingdom? For, agriculture will not thrive if it has to depend on the rains. Do you take care to see that the husbandman's stock of food or of seed does not run out?" *Kachid rashtre tatakani purnani cha brihanti cha bhagaso vinivishtani na krishirdevamatrika. Kacchin na bhaktam bijancha karshakasyavasidati* (V. 82 Sabhaparva). Likewise also we read of King Bharata in the Ramayana providing canals large as the sea and filled with water, and in places where there was scarcity of water, he excavated many excellent tanks for drinking purposes, well-protected by raised banks" ((Ayodhya, LXXX, 11 and 12). Here at Comilla where I am writing, stand some excellent tanks—the most lasting monuments of glory of the old Maharajas of Hill Tippera, and but for these the town would now have suffered from terrible water-famines year after year. But "we call our fathers fools, so wise we grow." We and our Maharajahs of now-a-days have given up, what we call, those old and foolish superstitions of our forefathers, and however much we may spend our money profitably in pyrotechnic displays for the encouragement of the sciences and the arts, for the lasting good of the country, there is no fear whatever that either we ourselves or our Maharajahs under the able guidance of ministers like ourselves, will squander away any more money needlessly in the excavation of tanks or wells, or other works of irrigation for the benefit of agriculture.

The third duty for which the king was

allowed rent, was protection from thieves and robbers, free of charge. In these days the *Rayat,* in addition to paying the rent to his land-lord, has to enter into ruinous and expensive litigation, and fight out to the bitter end, through the proverbial "law's delay," to defend his holding against trespassers, and his crops and live-stock from thieves and robbers. Indeed, it may be said that he alone supports, like Atlas of old, the huge machinery of the law courts on his own shoulders. In those golden days, however, the *Rayat* not only got justice free of cost, but in case the king failed to recover any stolen property from the thief, he had to make good its value from his own treasury. Says Manu : The property stolen by thieves, the king is to restore to all the castes." *Datavyah sarva varnebhya rajna chorair hritam dhanam,* VIII, 40. Says the Vishnu Sanhita : "Stolen property when recovered, the king should restore to all the castes. If it is not recovered, he should supply its value from his own treasury" —"*Anavaly cha svakosadeva dadyat* (III. 45) "*Chaura-hritamupajitya yatha sthanam gamayet koshadvadadyat* (Goutama, Ch. X).—"Stolen property is to be recovered and restored to the owner,—or is to be paid for from the treasury." That the king really held himself bound to recover and restore all stolen property, and actually tried his best to perform that duty, will further appear from the following description in the Mahabharata of an incident in the life of Yudhisthira:—When Yudhisthira ruled, a thief stole some cows belonging to a Brahman. The

Brahman represented the matter to Arjun, saying, "The king who accounts the sixth of the produce as his share, but does not protect his subjects, is said to be responsible for all the sins of all the world." Arjuna heard it and said, "If I do not give relief to this man crying at our gate, the king shall have committed the great sin of neglect of duty." So saying Arjuna at a great personal risk entered Draupadi's room, took his bow and arrows, went with the Brahman, overtook the thieves, recovered the cattle, and restored them to the Brahman. Thus it should be quite clear that under the old Hindu law, the king who received the sixth share of the produce did not receive it as an "unearned increment" like what is enjoyed by our Zemindars, or the English landlords, but had on his part, among other responsible duties, to recover and restore stolen property free of cost.

How did agriculture flourish in Mahomedan times, it will be asked. The history of the Indian people during the Mahomedan times has yet to be written. We are still but chewing the cud of European scholars and historians, not always free from prejudice. Basing our conclusions on such materials as we are at present in possession of, we may say that so far as village life and the internal management of the Indian village communities were concerned, the Mahomedan rulers preferred to leave the old Hindu laws and village customs almost intact. They too realised their rent in kind, only the old Hindu rule of one-sixth was raised by Akbar to one-third of the actual

produce. The Emperors sometimes made hereditary grants of land or pensions for the subsistence of saints and men of learning or of the impoverished representatives of old and respectable families. "Such lands (Sayurghal) were hereditary, and differ for this reason from Jagir or tuyal lands which were conferred for a specified time on Mansabdars (leaders of armies) in lieu of salaries."—Blochmann, page 270. But the emperors did not create any hereditary middlemen or permanent rent-farmers like our Zemindars, but dealt with the husbandmen directly. In the Mahomedan times for "all land which paid rent into the Imperial Exchequer," the husbandman has his choice to pay the revenue either in ready money or by kunkoat or by Bhaoli" (Gladwin's translation of Ain-i-Akbari, p. 251). Again the Amil Guzzar or Revenue Collector is directed "not to be covetous of receiving money only. but likewise take grain." *

The manner of receiving grain is described. (1) Kunkut or appraisement or estimation of the grain by inspectors while the crops are standing, (2) Battai or Bhaoli or division of the grain after the crop is harvested, and the grain collected into barns, (3) Khetbattai or by dividing the field as soon as it is sown, and (4) Lang Battai or division after the grain is gathered into heaps. Thus it was optional with the cultivator in Mahomedan times to pay his rent in kind, and

* With regard to Akbar, Hunter says:—"The essence of his procedure was to fix the amount which the cultivators should pay to one-third of the gross produce, leaving it to their option to pay in money or in kind.

as a fixed portion of the produce, for example, for the best quality of land or "Pooly" (*i.e.*, what we call Dofasli) or land cultivated for every harvest, and never allowed to lie fallow."—"A third part of the medium (average) produce was the revenue settled by His Majesty (Akbar)," the second quality of "Perowaty land when cultivated paying the same revenue as pooly;"—but when not cultivated or left fallow, unlike now-a-days, no rent was charged. It was thus the common interest of the emperor and of the husbandman to extend cultivation and obtain from the soil the maximum yield it was capable of producing. Accordingly, we find the Emperor Akbar giving the following directions to the Amil Guzzar or Revenue Collector:—(1) Let him not be discouraged at the lands having fallen waste, but exert himself to bring back again into cultivation." (2) "He must assist the needy husbandman with loans of money, and receive payments at distant and convenient periods." Indeed, these loans might be repaid in ten years, and yet the total amount realised was not to be more than double the amount of the loan. (3) "When any village is cultivated to the highest degree of perfection, by the skilful management of the chief thereof, there shall be bestowed upon him some reward proportionate to his merit." (4) "If a husbandman cultivates a less quantity of land than he engaged for, but produces a good excuse for so doing let it be accepted."

We find the Mahomedan Emperor, like the old Hindu king, holding himself responsible to

the cultivator for supplying the necessary extent of grazing ground for the cultivators' cattle on reasonable terms. Accordingly, it was ruled by Akbar "If any one does not cultivate khiraja (or revenue-paying land), but keeps it for pasturage, let there be taken yearly from a buffalo 6 dams (one dam one-fortieth of a Rupee or about 2 pice), and from an ox 3 dams, but calves shall be permitted to graze without paying any duty. For every plough there shall be allowed four oxen, two cows and one buffalo,—from whom likewise *no duty shall be taken for pasturage.*" (Gladwin's translation of the Ain-i-Akbari, p. 256). I need hardly say that the Mahomedan Emperors never had any faith in that most wholesome of the Hindu superstitions, which placed the highest value on the excavation (*Purta*) of "tanks and wells as passports to heaven, but the Ain-i-Akbari also speaks of irrigation at the public expense," waste lands which a Moslem has made arable by means of water brought thither at the public expense," (Gladwin, p. 340), which shows that the Mahomedan Emperors enjoying even more than we are doing this day, the benefits of the extensive works of irrigation done in the Hindu times, and still being done under those old Hindu superstitions, though they paid less attention to it, they could not have been altogether indifferent to the question of water supply by the State for purposes of agriculture.

Again even as the Hindu king was bound to see that the cultivator's stock of food or seed did not fail—" *Bhaktancha bijancha karshakasya*

navasidati."—so likewise did Akbar consider himself bound to see that the producer of food for the people was not left without food himself, and provided public granaries in different parts of the kingdom—a measure as effective as it was simple—for the prevention of famine :—" Granaries are erected in different parts of the kingdom from whence the cattle employed by the state are provided with subsistence. They are also applied to the relief of indigent husbandmen, and in time of scarcity the grain is sold at a low price, but the quantity is proportioned to the absolute necessities of the purchaser."

Likewise throughout the empire a great quantity of food is dressed daily for the support of the poor and needy. " For this purpose, Akbar exacted an annual tribute of ten seers of grain from every *bigha* of cultivated land throughout the empire " (Gladwin's Ain-i-Akbari, p. 189).

Lastly as regards justice and the redress of wrong done to the cultivator, it must be admitted that the ideal of the Mahomedan rulers was not as high as that of the old Hindu kings, and there is no reason to think that they would consider it their duty to restore from the royal treasury, like the old Hindu kings, the value of any stolen property that they failed to recover from the thief. The Mahomedan rulers, however, considered it to be the " immediate duty of a monarch to receive complaints, and administer justice." In this matter, he delegated his power to the Kazi who tried each case not " without painful search and minute enquiry "—though the complainant

had nothing to pay for expenses either as court-fees, process fees or lawyer's fees, etc., as in these days.

Indeed, so great was the interest in agriculture taken by the Emperor Akbar, that he tried to remove one of the most serious drawbacks that to-day hampers the progress of Indian agriculture —by helping the cultivators to get all their lands in one block. "After some time it was reported that those who held grants (Sayarghals) had not the lands in one and the same place, whereby the weak whose grounds lay near khadisha lands (*i.e.*, paying revenue to the Imperial Exchequer) or near the jagirs of the mansabdars or leaders of armies were exposed to vexations : and were encroached upon by unprincipled men. His Majesty then ordered that they should get lands in one spot, which they might choose. The order proved beneficial for both parties." "It was ordered that everyone who should leave his place, should lose one-fourth of his lands, and receive a new grant" (pp. 268 and 269, Blochmann's translation). What a world of good we should be doing if we could follow this noble example of Akbar on a more extensive scale so that each husbandman of to-day might get all his arable land in one block and coveniently situated in reference to his homestead.

Thus we find that the Mahomedan Emperors like the old Hindu kings had very good reason to feel that the success of agriculture was as much their own interest as that of the *Rayat*, and that for the success of agriculture, even as the *Rayat* was

responsible to give his labour, the Emperor was also responsible to provide the capital, the facilities for irrigation, and the pasture for the cattle, that he was responsible to administer justice, and give the cultivator protection against thieves and trespassers free of cost. The rent was paid to the state as a sort of fee for the performance of these onerous duties by the state, and in no sense could it be looked upon as an "unearned increment," as enjoyed by either the feudal land-lords in England, or their Indian substitutes, the Zemindars of to-day, whom Hunter speaks of as "the mushroom creations of Mahomedan despotism"—though more correctly speaking they were created by a fiat of John Company. It was only under favourable conditions like the preceding that agriculture could flourish in India both in the Mahomedan and in the Hindu period, under the Indian Rayat, for the largest majority of whom it may be said that their only capital lay in former times as now in the strength of their own bones and muscles and their habits of industry and temperance.

What happened during the period of transition from the Mahomedan to the British rule? Akbar died in 1605 and Aurangzeb died in 1707. The puppets who succeeded Aurangzeb were rapacious debauchees unfit to rule and the Mogul Empire was destroyed by Nadir Shah in 1739. The Government may be said to have passed into the hands of the British from 1767 under Warren Hastings, who became the first Governor-General of India in 1774. In that half a century what

momentous though silent transformations took place in this country as affecting our agriculture; India ceased to be looked upon as the country of peasant-proprietors, as it had been from the remotest antiquity. The state ceased to be the mere guardian and protector of the land, " *Bhumer adhipatir hi sah* " The rule of *sthana ched asya kedaram*," that the arable land is the property of the man who cleared the jungle for cultivation, ceased to have force. The forests and hills ceased to be without a proprietor, *asvamikanyahuh*, or rather ceased to be the sort of no man's property (compare the Roman Res Nullius) that it was from the remotest antiquity, which any intending cultivator could appropriate by reclamation, and on which neither the state nor any individual whatever had the right to levy *Nazarana*. The rent paid by the cultivator ceased to be regarded as the fee paid for certain valuable services rendered by the State for the benefit of agriculture. Says Manu :

> " The king is to fix and receive the rents and taxes of his kingdom so that the king receive the fruits of supervision, and the cultivator and the trader receive the fruits of their labour of cultivation and trading " (VII 128). "*Yatha phalena yujyeta raja karta cha karmanam.*"

The king ceased to be responsible to the cultivator as before for the restoration of his stolen property free of cost. But the worst of it all was that during that time of transition, or rather anarchy from the death of Aurangzib in 1707 to the destruction of the Moghal Empire by Nadir Shah in 1739, the rapacity of those puppets

that disgraced the throne, introduced the system of the temporary farming of the revenues to irresponsible and sharking adventurers for lump sums of money. The only hope of the country, and the only redeeming feature of that farming system or rather system of contracts was that it was temporary, and when Warren Hastings became the Governor-General in 1774, it could be expected that the system of farming of the revenues would be given up. But that was not to be.

"The existing Mahomedan system was adopted in its entirety. Engagements, sometimes yearly, sometimes for a term of years, were entered into with the Zemindars, to a lump sum for the area over which they exercised control. If the offer of the Zemindar was not deemed satisfactory, another contractor was substituted in his place. For more than twenty years, these temporary engagements continued, and received the sanction of Warren Hastings" (Encyclo. British India).

This system of farming of the revenue, with its collateral system of requiring compulsory payments of rent in lump sums of money, instead of in kind as a fixed share of the produce, which is the root cause of the ruin of Indian agriculture, was only a temporary disease in the body politic in the last days of the Mahomedan rule and might have ceased and the proprietorship of the husbandman restored to him and confirmed, with a change of administration for the better. But that was not to be. Lord Cornwallis in 1793 made the system of farming of the revenues permanent, and depriving the husbandmen of their ownership of the land, raised the status of those mere contractors of the revenue into that of the modern Zemindars of Bengal—addressing them,

with what truth Lord Cornwallis alone could say,—as "the actual proprietors of the land." Sir John Shore was right when he said in his minute of 1788 that "the rents belong to the sovereign." But was wrong in saying that "the land (belongs) to the Zemindar." The name Zemindar does not occur in the Ain-i-Akbari. The Jagirs granted by the Emperors for military service, were for a prescribed period only. The English prejudices of Lord Cornwallis and his colleagues were responsible for his fatal blunder of divesting the husbandman of his right of property in the soil he cultivated, which he had enjoyed without interruption from time immemorial, thus converting him into a mere serf as in feudal Europe, to invest his "mushroom creations"—the Zemindars, with it, that they might take the place of the feudal lords. He thought India was England, the Zemindar corresponding to the English land-lord, and the rayat to the English serf or tenant-at-will.

"By two stringent regulations of 1799 and 1812, the tenant was practically put at the mercy of a rack-renting land-lord" (Enc. British India).

What has been the effect? The rent realised ceased to bear any fixed proportion to the actual produce of the soil, and could be realised in all its fullness even though a single ear of corn should not reward all the sweat of the brow of the toiling husbandman. The basic principle of Hindu Law, that the rent is charged by the state for the performance of certain duties by the state, most material to the success of agriculture, was gone. A fatal divorce between the right to enjoy

the rent, and the duty to help the development of agriculture has taken place. Regulation I of 1793 confers on the Zemindars the privilege of enjoying the rent "for ever," but lays on him no duty whatever to help the development of agriculture. "The Governor in Council trusts that "The proprietors of land"—meaning the Zemindars, "will exert themselves in the cultivation of their lands." A very pious hope no doubt, but that was all. There was no penalty imposed if they proved unworthy of the trust. The enjoyment of the rent was all that the Zemindar cared for, and taking the example of the Zemindars for a model, the Government, too, where there were no Zemindars, forgot that the rent was a mere fee for the performance of certain duties by the state. Whatever the so-called proprietors or rather enjoyers of rent did for agriculture, they came to look upon not as the fulfilment of a bounden duty, but as a mere work of charity or philanthropy, little better than a waste of valuable money. No one who now enjoys the rent, thinks that he is bound to give a loan on easy terms to the rayat, or to provide pasture ground for the rayats' cattle, or to remit the rent, if the rayat has to use his arable land for a pasture ground or to provide facilities for irrigation. Indeed the enjoyer of the rent has quietly appropriated almost all the public pasture ground of the country. The very idea that the kings of old were bound to restore from his own treasury the value of his stolen property free of cost, to the rayat, seems to us Utopian.

We have been accustomed to see a very different spectacle. The rayat is now practically supporting on his Atlas-like shoulders, the law courts with all their huge paraphernalia, and the Zemindars and Mahajans with all their myrmidons of *amlas* and *pyadas*. Unlike the Emperor Akbar, the rent-enjoyers to-day never dream that it is their duty to give loans to the rayat, and those loans might be repaid in ten years, and yet the total interest realised never exceed the principal. They never dream that in order to be entitled to enjoy the rent, they are bound to provide free all the necessary tanks, wells and canals for purposes of irrigation. No one now has the option to pay rent in kind as a fixed share of the actual produce—either a sixth as in Hindu times, or a third as in Akbar's time. Rent has now to be paid in money—a lump sum irrespective of the actual produce of the land, regardless whether all the rayats' toils are rewarded with an ear of corn or not. Thus the rent-enjoyer has no interest whatever in securing an increase of produce or an extension of cultivation. Indeed under the provisions of the Bengal Tenancy Act the rent-enjoyer's interest lies in the reduction of the produce and the decline of cultivation. The law provides that if the prices of the staple food crops rise, the rent-enjoyer is entitled to an increase of rent. The prices rise when the supply fails, *i. e.*, when the crop fails, and cultivation declines. How absurd! The duties of the rent-enjoyer are thus clean swept away,—the privilege of rolling in unearned gold alone remaining.

The effect of this divorce of the privilege of enjoyment from the duty to be performed, could not but be disastrous. It has naturally become the sole ambition of every Indian of means to be the enjoyer of an "unearned increment." Agriculture which was the occupation of every householder so that the term *grihastha* or householder became a synonym for farmer, has now become distasteful to the gentlemen or the *bhadralok* class of to-day. Even as the "hart panteth after the brooks," the heart of every Bangalee gentleman, whether barrister-at-law or pleader, whether Zemindar or Mahajan, whether Judge or Magistrate or *amla*, all pant after that Lotus-Eaters' life of an enjoyer of rents without their corresponding duties, so that they and their children's children may roll in unearned gold, and sleep beside their nectar like the gods, careless of mankind. To realise his dream of life without duties more fully, the rent-enjoyer has only to screw up the money rent by hook or by crook to the highest pitch, and then sublet his right for a lump sum to a *pattanidar* who again gives a few more turns to the screw, and sublets to the *dar-pattanidar* and so on and on without end. Thus like parasite upon parasite, a whole chain of rent-enjoyers settle on the devoted head of the husbandman to divide the fruits of that poor man's labours.

Thus has this country of peasant-proprietors been transformed into one of rent-enjoyers, and to a condition much worse than feudal England which Lord Cornwallis took for his model, for

in England the statute of *Quia Emptores* of 1285 disallowed sub-infeudation altogether, while in India Acts were passed to legalise interminable sub-infeudation, without any restriction whatever. The whole country is now become a country of the enjoyers of rent under the various denominations of *zemindar*, *pattanidar*, *dar-pattanidar*, *howladar*, *talukdar*, and what not. Thus India, which was the very queen of agricultural countries, is now become a country of crafty middlemen. India which was the country of peasant-proprietors ages before Switzerland or France or any other European country, has now become a country of the so-called proprietors of land, more interested in the failure than in the success of agriculture, and "rolling in unearned luxury" consuming the fruits of the labour of the toiling husbandman "engaged in grinding labour," "eking out a precarious existence" and having no champions or spokesmen to express his views, or protect his interests.

These then are the root causes that have led to the ruin of Indian Agriculture, and made the Indian husbandman what Lord Curzon describes him to be :

"The Indian poor, the Indian peasant, the patient, humbled, silent millions, the eighty per cent. who subsist by agriculture, who know very little of politics but who profit or suffer by their results, and whom men's eyes, even the eyes of their countrymen, too often forgot."

(PROF. DVIJADAS DUTTA, M.A., in *The Modern Review* August, 1913).

APPENDIX F

Indian Banking and the Ruin of Indian Industries

Banking in its modern form is a foreign institution in India. Though the main functions of banking had in the past been ably performed by indigenous bankers, that monster of finance, the Exchange and Joint Stock Bank, is of foreign origin. It was no unusual thing in the Pre-British days for a bill of exchange (or what was in action a bill of exchange) to start from Katmandu in Nepal and to be cashed in Mysore in South India, though, no doubt, it took long enough to reach its destination. The internal trade of India as well as what foreign trade there was at that time was financed by Indian bankers, *mahajans*, *Seths*, *Chetties* or whatever they were called in different parts of India. There is ample evidence to prove that individuals often deposited their savings with these bankers, and the bankers, as a normal practice, advanced large sums to traders, landlords and even to Princes for the purpose of War or Peace-economy.

With the coming of the British and the institution of their "enforced" commerce with India, there sprang up a whole series of wholesale houses, transport organizations, bonded warehouses, etc.. all over India. British Banking was at once the main spring which ran the whole mechanism and was itself run by these institutions. The result was that the financiers of India began

to feel a progressive loss of grip upon the Indian market. Wholesale houses which dealt in foreign goods got very cheap credit from these foreigners and dealers in foreign goods shared the benefit of this credit. There being large capital behind these banks (all the loot of the so-called "civil," military and mercantile officials trickled into these banks), the indigenous trader could not cope with the proteges of these banks. They could not sell their goods at fixed price nor give long credit, nor transport their goods cheaply, nor do anything easily which helped the smooth flow of trade.

It will be a long story to follow step by step the progress of marauding British Banking into the smiling and prosperous fields of Indian Industry. If told at length, it will merely repeat incidents over and over again. Tales of slowly pushing out of Indian goods from their home market, of traders going bankrupt or giving up internal commerce in order to join the slavish ranks of those who sold foreign goods; tales of bills for home-produced goods going abegging to be discounted and of bills for foreign goods being discounted for next to nothing; tales of foreign "business men" coming to India with only the pair of trousers in which they travelled as assets and being granted big over-drafts, while Indian merchant princes getting no credit anywhere: tales of indigenous traders losing all faith in their own business and going over with their deposits to foreign bankers in the hope of finding favour in the eyes of foreign business magnates. Thus slowly were Indian banking and business ground

into something too small to be ground down any further. The biggest Indian Capitalists lost their good name and foreigners became the only "Stable and safe" people. Slowly the British Banks gained the confidence of the Indian public, who poured their savings into the coffers of the aliens, who in their turn used the money to further the cause of Britain and reduce Indians to a State of abject economic slavery.

At the present moment British Bankers in India do not as a general rule give any facilities to Indian business men. They of course are very keen on getting deposits from the natives. In times of crisis British Bankers flock together; but woe betide the Indian Banker who looks for help to Britishers in time of a run or financial stringency. On the contrary, sometimes when Indian Banks go down or have a hard struggle to face, evil tongues ascribe such happenings to forces which for unknown reasons dislike prosperity in Indians.

APPENDIX G

The Rupee-Sterling Exchange and Indian Industries

India has an extensive trade with Britain. Every year Britishers buy millions of pounds worth of Indian material and Indians buy (or are forced to buy) large quantities of foreign goods as well as pay for alleged "Services" rendered to India by foreigners. So that every year a large demand is created in India for pound

sterling and, similarly, a large demand is created in Britain for Rupees. The rate at which the rupee buys pound and *vice versa* is therefore of very great importance. For if pounds sterling sell at a cheap rate it becomes easier for Indians to buy British goods and, on the other hand, if pound sells dear it becomes easier for Indians to sell goods to Britain. Now, this exchange ratio, had it been free to adjust itself to the laws of demand and supply, would have meant profit or loss to Indians or Britishers according to the vicissitudes of International trade. But if it were controlled, it could be abused. And it has been abused often and on. Let us take an instance. The British, let us say, are at one time obliged to purchase very large quantities of Indian material. When the time comes to pay for the goods, they have to buy rupees in the money market to settle their debts. Now, if by some artificial means they could be enabled to buy Rupees cheaper than they could in the open international money market, they could gain whilst Indians would be cheated. For, by this means, while the artificially created rate remains in force, Indians would be getting fewer pounds for their Rupees and thus ultimately less of British goods for their money, than they would have got normally. This artificial aid to exchange is given by selling Rupees in London (by the British Government of India) and pounds in India under official management and from state funds in India and Britain. Such things have been done more than once. Let us see what Sir Purshottamdas

Thakurdas said in his minute of dissent in the Report of the Royal Commission on Indian Currency and Finance (Hilton Young Commission, 1926).

"4. Till 1893, India had a silver standard with free coinage of silver, and the rupee was a full value silver coin. Owing to the discarding of silver as a standard of value in leading countries in the West after the Franco-German War, wild fluctuations took place in the rates of exchange between India and gold standard countries. In response to a widespread general feeling amongst the organised sections of the commercial community in India, the Government of India proposed to the Secretary of State the stopping of the free coinage of silver with a view to the introduction of a gold standard. The Herschell Committee, to whom the proposal was referred for investigation and report, approved of the Government of India's proposals, with certain modifications. The recommendations of that Committee were accepted by Her Majesty's Government; and in 1898 the Fowler Committee was appointed to consider and report on "the proposals of the Government of India for making effective the policy adopted by Her Majesty's Government in 1892 and initiated in June of that year by the closing of the Indian Mints to what is known as the free coinage of silver. That policy had for its declared object the establishment of a gold standard in India."

The Fowler Recommendations

"5. The Fowler Committee "looking forward . . . to the effective establishment in India of a gold standard and currency based on the principles of the free inflow and outlow of gold," recommended that:

(1) The Indian Mints should continue closed to the unrestricted coinage of silver and should be opened to the unrestricted coinage of gold.

(2) The sovereign should be made legal tender and a current coin..

(3) The ratio between the rupee and the pound sterling should be Rs. 15 to the pound, *i.e.*, the exchange value of the rupee should be 1*s.* 4*d.*

(4) No legal obligation to give gold for rupees for merely internal purposes should be accepted; but

(5) The profit on the coinage of rupees should be held in gold as a special reserve and made freely available for foreign remittances whenever exchange fell below gold specie point.

(6) The Government should continue to give rupees for gold, but fresh rupees should not be coined until the proportion of gold in the currency was found to exceed the requirements of the public.

"These recommendations were accepted "without qualification" by the Secretary of State, who on the 25th of July, 1899, 'requested the Government of India to make preparation for the coinage of gold.'".

Had these recommendations been given effect to, Indian exchange would have been largely free from official abuse and India would have played her own game at the International money market, without the drag of British interests or the international value of the pound. But this would not have helped the British cause; so these recommendations were not carried out; though they were officially accepted.

The abuse went on; greatly to the disadvantage of India. Ratios of exchange were fixed most arbitrarily and rupees and pounds sold by the Government to keep up these various ratios. The losses were borne *always* by the Indians. Thus in 1926, Sir P. Thakurdas said:*

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* Royal Comm. on India Currency and Finance, 1926, p. 115 (1929 edition).

"The loss on sales of Reverse Bills (sale of pounds from India) in India exceeds Rs. 22 crores." Not only did India lose in cash to maintain fictitious ratios, the loss was also indirect. For in order to maintain the pound value of the rupee, the Currency in India was deflated enormously to bring down the general level of prices. In the report quoted above, we find that in 1920, in an attempt to stabilise the rupee at 2sh. (when the actual rate was 1s. 4 5/16d.) the Currency was deflated "to the extent of Rs. 35 Crores." The result was a violent disturbance in the Indian Market which caused great loss to numerous people.

The Government did not learn its lesson. In 1923-24 the market became so tight owing to deflation that the Bank Rate went up to 8 per cent. In the above Report we read : *

"In the Viceroy's telegram to the Secretary of State, dated the 8th of October, 1924, it is admitted "that the stringency in the market is the direct outcome of Government action in contracting currency, or rather in placing strict limits on possibilities of expansion . . . We should have difficulty in refusing to provide more generously for additions to currency even if we wished to do so and there is serious risk of a financial crisis if we keep the screw on too tight."

Again we read : †

"But deflation, and a consequent raising of exchange, has been accomplished by preventing the expansion of the currency to the extent normally required by India, as evidenced by the pre-war annual average of expansion. In fact, the Government of India themselves pleaded with the Secretary of State in paragraph 3

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* Report of Royal Comm. on Ind. Curr. Fin. 1926 (1929 edition), pp. 122-23. † Ditto p. 124.

of their telegram to him of the 4th of November, 1924. when they pressed for authority to prevent the exchange rising above 1*s*. 6*d*. in the following words;

"We doubt whether sufficient weight has been given by you to the great improvement in internal economic conditions which has taken place in India, and to the check which in the last few years has been placed on the expansion of currency. In the last two years the raw materials of India have been in great demand with the result that there has been a substantial trade balance in her favour.

"In a word India has been starved of her natural currency requirements and this operation, being equivalent to deflation, has been effective in raising the rate of exchange."

The present exchange ratio is favourable to Britain. It enables her to sell more goods to India and damage Indian Industries. But its enforced existence has been the greatest obstacle to India's economic expansion. Everywhere in India people cry, there is no money to carry on trade with. The explanation is found in the above quotations.

APPENDIX H

Sale of Treasury Bills and Borrowing at High Rate

The Indian Government is a competitor with the Indian trader in the money market. Being chronically short of funds, the Government is always borrowing large sums here as well as in London. The short loans raised in India are obtained by the sale of Treasury Bills, which draws out large sums from the market to the

detriment of our trade and industry. It is sinful, the way the Government walks into a tight market and draws out money, either to meet dues or to effect contraction of Currency. Who would risk money in trade and industry, if Government Bonds yielded a high rate? Who would give short loans to traders at a fair rate if the Government were willing to accept what are tantamount to Hundis? This policy of the Government has been a great blight since the end of the War. It is the last straw that may yet break the back of the Indian Industrial Camel, which has traversed many a long decade of bad trade on an almost empty stomach.

The Government also mortgages India's Revenues at a high rate of interest. While other nations borrow at a low rate in the world's Money Markets, India borrows (is made to borrow) at a high rate in the Market where Britain reigns supreme. Often a loan raised by India has sold at a premium the day after it had been floated. Why? Because the interest was too high. Where the Government could have got the same Capital by pledging I per cent. or 1½ per cent. less in interest, Government has pledged more. Why? Because the lenders have been mainly Britishers (usually in the first instance as underwriters). Not merely have they borrowed the money at a high rate: they have also used that money in Britain (or in India) for the purchase of goods which have not unusually been the highest priced in the world. Why? Because the sellers have been British Tradesmen!

APPENDIX I

"Specimens of Indian Textiles"— where are they ?

By B. D. Basu, Major, I.M.S.

According to Bolts, whose "Considerations on Indian Affairs" was published within ten years after the battle of Plassey :

"The oppressions and monopolies in trade which have been introduced of late years but particularly within the late seven, have been the principal causes of such a decrease in the real revenues of Bengal, as may shortly be most severely felt by the Company. For the Ryots, who are generally both land-holders and manufacturers, by the oppressions of gomastas in harassing them for goods, are frequently rendered incapable of improving their lands and even of paying their rents; for which on the other hand they are again chastised by the officers of the revenue and not infrequently have by those harpies been necessitated to sell their children in order to pay their rents or otherwise obliged to fly the country."

Again, the same author wrote :

"We come to consider a monopoly the most cruel in its nature and most destructive in its consequences to the Company's affairs in Bengal of all that have of late been established there. Perhaps it stands unparalleled in the history of any government that ever existed on earth, considered as a public act, and we shall not be less astonished when we consider the men who promoted it, and the reasons given by them for the establishment of such exclusive dealings in what may there be considered as necessaries of life."

It is recorded by Bolts that the Indian weavers

"Upon their inability to perform such agreements as have been forced upon them by the Company's agents,

universally known in Bengal by the name of *Mutchulcahs*, have had their goods seized and sold on the spot to make good the deficiency; and the winders of raw silk, called *Nagoads*, have been treated also with such injustice, that instances have been known of their cutting off their thumbs to prevent their being forced to wind silk."

It is not necessary to mention all the measures which in the early days of the East India Company led to the ruin of Indian industries. But all those measures did not bring about the total extinction of Indian manufactures and industries. For after all knowledge is power and the manufacturers of England were ignorant of many of the processes employed by Indian artisans in the manufacture of their articles and wares.* The holding of the first International Exhibition in 1851 was not only an incentive to the manufacturers of England to produce articles for the Indian markets, but it indirectly afforded them an opportunity to learn the trade secrets of Indian crafts-men. The English manufacturers left no stone unturned to wring out of the Indian artists the secret processes by which the latter succeeded in manufacturing their beautiful articles.

A couple of years after the first International Exhibition, took place the renewal of the Charter of the East India Company. Several witnesses who appeared before the Parliamentary Committees appointed to inquire into Indian affairs gave it in their evidence that English manufac-

* "We as a manufacturing people are still far behind them (the Indians)."—Sir Thomas Munro. See *The Modern Review*, vol. II., p. 541.

turers should be afforded facilities to have an extensive market for their articles in India.

At the same time Dr. John Forbes Royle, who had been in charge of the Indian Department of the first International Exhibition, impressed upon the Court of Directors the importance of forming a Museum in London to permanently exhibit the products and manufactures of India. It is needless to say that the Court most gladly adopted his scheme, because the Museum was to be established at the expense of India and it was to afford bread and butter to a large number of the inhabitants of England. But while completing the arrangements of this Museum he died in January 1858. Dr. Forbes Watson was appointed as his successor. It was during his tenure of office that the last step leading to the destruction of Indian textile manufactures was taken.

What this step was has been very well described by Dr. Watson himself. He wrote :

"Specimens of all the important Textile Manufactures of India existing in the Stores of the India Museum have been collected in eighteen large volumes, of which twenty sets have been prepared, each set being as nearly as possible, an exact counterpart of all the others. The eighteen volumes, forming one set, contain 700 specimens, illustrating in a complete and convenient manner, this branch of Indian Manufactures. *The twenty sets are to be distributed in Great Britain and India—thirteen in the former and seven in the latter*—so that there will be twenty places, each provided with a collection exactly like all the others, and so arranged as to admit of the interchange of references when desired."

The passage which we have italicised in the above extract shows that the authorities did not

possess any sense of proportion when they distributed thirteen sets in Great Britain and seven only in India.

The distribution of the seven sets in India was an afterthought. It was not the original intention of the authorities, as is evident from what Dr. Forbes Watson wrote :

"The original intention was that the whole of the twenty sets should be distributed in this country (England). Further consideration, however, points to the expediency of placing a certain number of them in India : 1st, because this course will facilitate those trade operations between the two countries which it is the object of the work to promote and encourage; and 2ndly, because it is possible that the collection may be of direct use to the Indian manufacturer . . . . .

"It seems to be clearly for the advantage of India that every facility should be given to the introduction, from this country, of such manufactures as can be supplied to the people there more cheaply* than by hand labour on the spot. The many will thus be benefited, and the hardships which may possibly fall upon the *few* will not be serious or long felt, since their labour will soon be diverted into new and, in all probability, more profitable channels.

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* As to this cheapness it should be borne in mind that the poorer classes in India for whose benefit cloth was sought to be made cheap have always used the coarser fabrics. These products, of the handlooms, are even now cheaper than Manchester goods considering that the former last much longer. But our fabrics were formerly actually cheaper in price than English textiles, as Mr. Robert Brown said before the Lords' Committee which sat before the renewal of the E. I. Company's Charter in 1813. See the January (1908) number of this review, p. 28, and the December (1907) number, p. 545.

"*The chief advantage, however, which is likely to attend the distribution in India of a certain number of the sets of Textile Specimens will, it is believed, arise from the opportunity which will thereby be afforded to the agent in India of directing the attention of his correspondent here (England) to the articles suited to the requirements of his constituents.*"

We have italicised the last paragraph, as in it the writer unmasks himself.

The places to which the thirteen sets were allotted in Great Britain and Ireland were as follows: Belfast; Bradford; Dublin; Edinburgh; Glasgow; Halifax; Huddersfield; Liverpool; Macclesfield; Manchester; Preston; Salford and the India Museum, London. Dr. John Forbes Watson was sorry that this distribution still left "some important places unsupplied. These are, however, in almost every instance situated near to one or other of the selected localities."

Regarding the distribution of the seven sets in India, Dr. Watson recommended that a set be placed in each of the following places, *viz.*: Calcutta, Madras, Bombay, Kurrachee, the North-Western Provinces, the Punjab, and lastly in Berar.

"With respect to the three last-named divisions either Allahabad, Mirzapore, or Agra in the North-Western Provinces, Umritsur or Lahore in the Punjab, and Oomrawattee or Nagpore in Berar, will probably be found the most suitable, but it may be left to the respective Governments of the divisions in question to decide on the exact locality."

The set for the North-Western (now the United) Provinces is not kept in any one of the cities recommended by Dr. Watson. It is kept in

the Provincial Museum, Lucknow, to which place it was transferred from the Allahabad Museum in September, 1878. Lucknow is not a centre of any textile industry and therefore the set is kept there!

Dr. Watson proceeded :

"Regarding the conditions on which the gift should be presented,—the first should be that due provision should be made for its permanent protection, and that freedom of access be afforded to all properly recommended and practically interested persons.

"The sets should be assigned in trust to the chief commercial authorities in the selected places, for the use not only of those connected with the district in which they are deposited, but of non-residents also, who can show a practical interest in Textile manufactures. The proposed plan of sending seven of the sets to India, diminishes the number of commercial centres in this country which will receive a copy, and it therefore becomes more necessary that those which do get one should be required to make it easy of access to agents, merchants, and manufacturers who reside in those which do not."

It was made a condition that the authorities in the selected districts should undertake :

"That access to the work be given to any person bearing an order to that effect signed by the President, Vice-President, or Secretary of the Society of Arts; the Presidents, Vice-Presidents, or Secretaries of the Chamber of Commerce; the Chairman or Secretary of the Association of the Chambers of Commerce; the President, Vice-President or Secretary of the Cotton Supply Association, the Chairman, Vice-Chairman or Secretary of the Cotton-Brokers' Association; the Chairman, Vice-Chairman or Secretary of the Liverpool East India and China Association; by the Presidents, Vice-Presidents, Chairman, Vice-Chairmen, or Secretaries of such other Associations for the promotion of Commerce as now exist or may hereafter be formed; and by the Reporter on the products of India."

So it was not difficult for any one to consult the work in Great Britain. But in India the existence of this work is hardly known to 999 out of 1,000 educated persons—much less to the weavers and other uneducated artisans. It would be interesting to know if the sets deposited in India have ever been consulted by even any educated Indian. These might have been consulted by some interested Anglo-Indians but not, we think, by any educated native of this country.

Since these sets were prepared at the cost of India and now, thanks to the Swadeshi movement, an impetus has been given to the textile industry in this country, is it not time and is it not fair and just that all the thirteen sets which are in Great Britain should be brought to India and kept in important centres of commerce and industry in this country? As a first step, may we not demand that the existence of the seven sets in India should be made widely known? They should be made easily accessible to all Indians actually engaged in manufacturing textile fabrics.

These twenty sets of 18 volumes each were to be "regarded as *Twenty Industrial Museums*, illustrating the Textile Manufactures of India, and promoting trade operations between the East and West, in so far as these are concerned."

Of course, it was meant more to benefit the West than the East and this Dr. Watson himself admitted, for he wrote :

"The interests of the people in India, as well as those of the people at Home, are concerned in this

matter, and *both interests must be considered.* Our remarks in the first instance, however, will apply more particularly to the latter.

"About two hundred millions of souls form the population of what we commonly speak of as India; and, scant though the garments of the vast majority may be, an order to clothe them all would try the resources of the greatest manufacturing nation on Earth. It is clear, therefore, that India is in a position to become a magnificent customer.

"If we attempt to induce an individual or a nation to become a customer, we endeavour to make the articles which we know to be liked and needed, and these we offer for sale. We do not make an effort to impose on others *our own tastes and needs,* but we produce what will please the customer and what he wants. The British manufacturer follows this rule generally; but he seems to have failed to do so in the case of India, or to have done it with so little success, that it would almost appear as if he were incapable of *appreciating* Oriental tastes and habits.

"There are probably few things beyond the understanding of our manufacturers, but it will be admitted that some education in the matter is necessary, and that without it the value of certain characteristics of Indian ornament and form will not be properly realized. This supposes the means of such education to be readily accessible, which hitherto has not been the case, simply because manufacturers have not known with any certainty what goods were suitable. To attain to skill in meeting Eastern tastes and Eastern wants will require study and much consideration even when the means of study are supplied; but up to the present time the manufacturer has had no *ready opportunity of acquiring* a full and correct knowledge of what was wanted.

"The deficiency here alluded to, will, we believe, be supplied by these local Museums.

"The 700 Specimens (and we again point out that they are all what is called working *samples*) show what the people of India affect and deem suitable in the way

of textile fabrics, and if the supply of these is to come from Britain, they must be *imitated* there. ***What is wanted and what is to be copied to meet that want,*** is thus accessible for study in these Museums."

Thus it was all from motives of philanthropy that specimens of Indian textile fabrics were made accessible to the manufacturers of England.

But even up to the year 1866, the Indian weaving industry had not totally ceased to exist. For Dr. Forbes Watson wrote :

"* * * The British manufacturer must not look for his customers to the upper ten millions of India, but to the hundreds of millions in the lower grades. The plainer and cheaper stuffs of cotton, or of cotton and wool together, are those which he has the best chance of selling, and those which he would be able to sell largely, if in their manufacture he would keep well in view the requirements and tastes of the people to whom he offers them.

"We know India now-a-days as a country whose Raw Products we largely receive. We pay for these partly in *kind* and partly in *money;* but India never buys from us what will repay our purchases from her and the consequence is that we have always to send out the large difference in bullion, which never comes back to us, disappearing there as if it had been dropped into the ocean. We buy her Cotton, Indigo, Coffee, and Spices; and we sell her what we can in the shape of Textile and other Manufactures. It must not be forgotten, however, that there was a time when India supplied us largely with Textiles. It was she who sent us the famous Longcloths, and the very term *Calico* is derived from *Calicut* where they were made. She may never resume her position as an exporting manufacturer of goods of this sort.* * * This is clear, however, that it will be a benefit to the masses of the people of India to be supplied with their clothing at the cheapest possible rate—let this be done by whom it may. If Great Britain

can give Loongees, Dhotees, Sarees, and Calicoes to India which cost less than those made by her own weavers, *both* countries will be benefited. * * *

"The machinery and skill of Britain may thus do a present service to India, by supplying her with material for clothing her people at a cheap rate, an end to which these *collections* must certainly lead by showing the home manufacturer what it is that the natives require." *

Regarding this act of philanthropy, one Christian officer wrote :

"Every one knows how jealously trade secrets are guarded. If you went over Messrs. Doulton's pottery works, you would be politely overlooked. Yet under the force of compulsion the Indian workman had to divulge the manner of his bleaching and other trade secrets to Manchester. A costly work was prepared by the India House Department to enable Manchester to take 20 millions a year from the poor of India : copies were gratuitously presented to Chambers of Commerce, and the Indian ryot had to pay for them. This may be political economy, but it is marvellously like something else."

(Major J. B. Keith in the *Pioneer* September 7, 1898).

"The general principle was to be that England was to force all her manufactures upon India, and not to take a single manufacture of India in return. It was true they would allow cotton to be brought; but then, having found out that they could weave, by means of machinery, cheaper than the people of India, they would say, 'Leave off weaving; supply us with the raw material, and we will weave for you.' This might be a very natural principle for merchants and manufacturers to go upon, but it was rather too much to talk of the philosophy of

* In this connection it is necessary to remind our readers what Mr. Tierney, a member of the House of Commons, said in a speech delivered in that House as far back as 1813 :

it, or to rank the supporters of it as in a peculiar degree the friends of India. If, instead of calling themselves the friends of India, they had professed themselves its enemies, what more could they do than advise the destruction of all Indian manufactures?"

It is much to be regretted that no writer on Indian economics has so far referred to the part which the holding of Exhibitions and the distribution of specimens of the textile manufactures of India have played in ruining the weaving industry of India. Perhaps the imposition of the tariff and the transit duties would not and could not have so effectually destroyed Indian industries had not the authorities made the Indian artisans betray under compulsion their trade secrets to the manufacturers of England.

Owners of cotton mills and hand-loom factories all over India should move in the matter in order that (1) the seven sets of Indian textile manufactures already in India may be made easily accessible to Indian manufacturers and (2) the thirteen sets in Great Britain may be restored to India and placed in suitable centres here. This will help greatly in the revival of genuine Indian patterns and colours.—From *The Modern Review* for December, 1908.

APPENDIX J

The Market for British Goods in India a Century ago

By B. D. Basu, Major, I.M.S.

While in the Charter Act of 1813, it was laid down that it was the duty of England "to promote the interest and happiness of the native inhabitants of the British dominions in India," were the measures adopted by the English authorities calculated to make the people of India happy? This question can be properly answered by analysing the measures which have been mentioned in our article on "The Genesis of the British Idea of Civilising India," published in the November number.

On the occasion of the renewal of the Charter of the East India Company in 1813, the natives of England were determined to create a market in India for English manufactures. It was with this object in view, it was to gain this end, that those measures were proposed which have been enumerated in the article referred to above. At that time there was no large market in India for English manufactures. Those witnesses whose opinions were worth anything mentioned in their evidence before the Houses of Parliament that India did not stand in need of English goods. Mr. Warren Hastings, who had survived his impeachment by over a quarter of a century and

had now become an octogenerian, in his evidence before the Lord's Committee, on the 5th April, 1813, said :

"British manufactures, like all other articles of commerce, must be such, as will minister either to the wants or to the luxuries of the people : * * The poor of India, who are the people, have no wants; unless the scanty rags of cloth which they wear, their huts, and simple food, may be considered as such, and those they have upon the ground which they tread upon. The next class above the poor, are the wealthy Hindoos, occupying the rank of Zemindars, and the officers of the collections : those men are as simple in their habits almost as the poor; they want nothing that our ships can furnish them. That class of the inhabitants who formerly might have been the purchasers of European merchandize, such as articles of show, furniture, and dress, have now scarcely any existence, I mean the Mahomedans; few now remain besides the pensioners that were left upon the bounty of the Government; few of whom I should suppose how survive." * *

Mr. William Cowper, who had served the Company for 32 years in India, was examined by the Lords' Committee on the same date as Mr. Warren Hastings. The questions that were put to him and the answers he gave to them are reproduced below :

"Is your opinion with respect to the improbability of an extended use of European commodities by the natives of that country, founded upon any peculiarity in the character of that population?—Undoubtedly all their habits and prejudices go to prevent them from taking off such commodities in any quantities : a large proportion of those commodities they might be led to reject from their habits and prejudices; even their religion : for instance, the whole Mussalman population would never touch any thing that was made of hair, from the apprehension that it might have proceeded from the hog or swine,

and would be induced to reject every commodity of that kind, unless they could have the most perfect assurance that there was no such danger to be apprehended, and so of other fabrics; but I should apprehend that the greatest obstacle to the purchase of European commodities by the natives of India, would proceed from their poverty, which utterly puts it out of their power to indulge themselves in any such luxuries; the vast mass of the population of India are extremely poor; and the wages of labour are low. * * *

"Is the Committee to understand from you, that the improbability of which you have spoken, of an extended use of European commodities in that country, is rooted in the manners and habits of the native population? Undoubtedly in their manners and habits, and the inadequacy of their means to indulge themselves even if their manners and habits did not oppose any bar to the purchase of such commodities.

"Do you suppose that the demand for European commodities in that country on the part of the native population, is chiefly confined to a demand for luxuries? —I do; I have already stated what kind of commodities the natives (as far as they do purchase such commodities) are in the habit of purchasing, chiefly articles of European furniture. * * *

"While you resided in India, was the demand for European commodities completely supplied by the markets? During the greater part of the time I resided in India, there was generally a glut of European commodities; very many adventurers were totally ruined by the impossibility of disposing of the commodities which they imported to Calcutta."

Sir John Malcolm was also examined before the above committee.

"From your observation, do the natives appear to have any taste for European manufactures or commodities?—Many of the wealthy natives at the presidencies purchase articles of European manufacture, and broadcloth, I believe, is sold to a very considerable extent, there not being a more general sale is to be ascribed to the

want of means of the great mass of the community to make any such purchase, and to the nature of their habits, the mode of their life, and their dress.

"Do you mean to state, that the mass of the population have no means of purchasing European commodities?—The mass of the population have no means of purchasing European commodities. * *

"If articles of woolen manufacture should be fabricated with a view particularly to the consumption of the natives, and sent to the northern parts of India would they, in your opinion, find a market there?—It would depend, in my opinion, entirely upon their price; they have their own manufactures that answer the same purpose as our lighter woollens, these are the cumlies for the poorer, and the shawls for the superior classes; the sale of European woollen must be chiefly regulated by the ability on the part of the natives to purchase them as indeed the demand of any manufacture must depend upon its price. * * * *

"Do you believe that there is a very general desire in the natives of India to obtain various articles of European manufacture?—Certainly not general. * * * nor do I believe, from their simple attire and habits, and their attachment to the modes of their fathers, that the general mass of the people have any great desire for them, even if they had the means of purchasing them. * * * *

"Do you consider India in general as a very manufacturing country?—*I consider that the natives of India are very industrious, and very apt to learn any trade or any art that they are taught.*"

Lord Teignmouth in his examination also stated :

"That I am not aware of any manufactures in this country (England) that the natives would be likely to purchase in any considerable degree; this opinion is formed from my knowledge of their modes of living in India."

That well-known engineer, Major-General Alexander Kyd, was asked :

"Have you had an opportunity of observing how far the natives of British India shew a disposition to use European manufactures?"

In answering the above question, he said :

"Very little indeed amongst the lower classes; from the smallness of their pay, they are unable to indulge in any of our manufactures; the superior classes have got luxuries and indulgencies of their own, that generally speaking they prefer to ours : There are a few exceptions at the presidencies, where some men in imitation of their masters indulge in small articles of household furniture, glassware, lustres, and things of that sort, but to no great extent."

Sir Thomas Munro—although he was not the Governor of Madras in 1813—had served in India for more than a quarter of a century. As a witness before the Lord's Committee, he deposed :

"I see no signs among the natives of any increasing demand for our commodities : I think that when I went to India, and when I left it, a period of twenty-eight years, there was scarcely any variation. I think the cause of that does not exactly arise from what we call high prices, but from causes that are more permanent than the rate of the prices. It arises from the influence of climate, from the manners of the people, from the great skill of their own manufacturers; * * * *. There are two great sources of expenditure in this country which cannot apply to India at all, these are the expenses of the table and the furniture of the house; the Hindoo has no table, he eats alone upon the bare ground, and generally in the open air : the whole equipment that he has for that purpose is perhaps an earthen platter or a small brass bason; and as far as furniture is concerned, he may be said to have no house, for his house contains none. * * * Again, those articles which he wishes for food his own country supplies, *all his clothing it supplies in much*

greater beauty and variety than any thing we can furnish him with.

"Are you of opinion that in the colder parts of the country, there is any probability of introducing to any great extent the use of English woollen manufactures?—If we could furnish our woollen manufactures as cheap as the natives can furnish their own, there would be a very considerable demand, because there is hardly a native of India that does not use woollen. I never knew a native who had not a large piece of coarse woollen of their own manufacture, which they use as the Highlanders of Scotland do a plaid; they sleep upon it, they wrap it about them when they travel; but it is so much cheaper than our manufactures, that I am afraid our woollens can never come into competition with it; there must be a very great improvement in our machinery for manufacturing woollen before we can possibly sell our woollen in India of the coarser kind of Indian woollen, which is usually worn by the peasantry and the lower classes of the people, as much as a man requires to cover him, a piece of about seven feet long by four or five broad, is sold for about two shillings; but that is the coarsest kind : the finer kind is as fine as the boat cloaks that are commonly made here. This is of a much larger size, about ten feet long by five or six wide; it sells at from twenty or twenty-five shillings."

"According to your observation, did the market for European commodities in every part of India, while you were there, appear to you to be adequate to the demand for them?—The market is perfectly adequate to the demand; there is no obstruction to the supply in every part of India. I never was in any large village in India, in which European commodities were not exposed for sale, those commodities for which there is a demand; but they are in general trifling, some small pieces of broad cloth, some articles of cutlery, such as scissors, pen-knives, and perhaps in glassware a few small looking glasses.

"Do you think that the present system of commerce with India is fully adequate to the supply of any probable increased demand for British articles among

the natives? I think that the present supply is fully adequate to any probable increase of demand.

"Am I to understand that it is your opinion, that the natives of India, being a manufacturing people, and ingenious in manufactures, are fully adequate to supply any demands that may arise among themselves? I think they are fully competent to supply all demands that can arise among themselves, and that *the chief cause of the difficulty of exporting our manufactures to advantage for sale in that country is, that we as a manufacturing people are still far behind them.*"

Mr. William Young, who had been in the Civil Service of the East India Company for twenty years, said :

"If it is meant by European commodities, the common articles that were imported by the officers of the Company's ships, generally speaking, there was an abundant supply, * * ; if by British commodities is meant articles of British merchandize, I believe upon every occasion there was an ample supply."

Mr. Guy Lenox Prendergast, who had served in Gujarat and Bombay, appeared as a witness before the Lords' Committee. He was asked :

"While you resided in that country, did you perceive a growing use of European commodities among the natives? In that respect I did not see the smallest difference while I resided amongst them. * * *

"To what circumstance do you ascribe it, that the natives are so indifferent or averse to the use of European commodities? They are not at all necessary to their comforts or habits, they find everything they wish or want extremely cheap where they are, and their necessities do not seem to require them."

Mr. D. Haliburton, who had been long in the service of the East India Company at Madras, was questioned :

"Have you had an opportunity to observe at Madras, whether natives who are in habits of intercourse with Europeans acquire in any degree their manners or tastes?"

In reply he said :

"I think at Madras a few may perhaps have done it in some degree; the first establishment of Madras was of the date of 1620; it was the first establishment the Company had in the peninsula of Hindostan; they may be better acquainted there than in the inland parts, but still the bulk of the people remain very ignorant of the English manners, and are given very little to purchase European articles of furniture or to attend to European customs of any sort."

Mr. Graeme Mercer was originally appointed to the Medical Department in the service on the Bengal establishment, but was afterwards very frequently employed in both the Revenue and Political Department of that service. In answering the question whether, if a free trade were opened between England and India, there would be any materially increased demand among the natives of India for English manufactures or commodities, said :

"I think no sudden increased demand for the manufactures of this country would arise from such a free trade; the habits and manners of the natives are of such a nature as may be said to be nearly unchangeable; their wants from other countries are few or none; and from the period in which I have resided in India, I could perceive little or no alteration with regard to their demands for any European commodities."

Mr. Thomas Cockburn, a Madras Civilian, was asked :

"Have you had an opportunity of observing how far the natives of India discover a taste for the use of European manufactures or commodities of any kind? Very few, if any, of the British commodities can be consumed by the population of India. A few rich individuals may use carriages; some few, glasses, watches,

etc., and perhaps a little broad-cloth occasionally to cover them in the very cold weather, but in very small quantities. * * *

"Do you think there is much prospect of an extended use of European commodities among the natives of that country?---It is necessary to advert to what are the articles in use among the natives, to ascertain that point: of course, I had occasion to inquire into the expenses of native families of different description; and when I was at the head of the Board of Revenue, I conversed with some natives on the subject, who gave me, as a matter of curiosity, a statement of the expenses of a labouring man and his family, and what a family of a middling class lived on, a man capable of keeping a hackery and a pair of bullocks to carry him to his business; and it is scarcely to be believed how small the sums are in those accounts which are expended for clothing. I happen to have preserved the memorandums; I got them in the year 1802; if it is wished, I can produce them to the Committee. The whole expense of a labouring family, consisting of the man, his wife, and five children, (the eldest eight years, the youngest an infant) amounted to about £11 5s. per annum; and of that sum the whole amount expended for clothing is 17s. and a fraction. The expenses of the middling family, that is a person who is usually known by the term of a dubash, which consisted of six men, a boy five years of age, and twelve women, in all nineteen persons, amounted per annum to £193 or thereabouts; the whole amount of the clothing included in that sum, used by the family in the course of the year, amounted to about £42 sterling: and those expenses included daily charity, which forms part of the expense of a native of that quality in India. In the articles necessary to the subsistence of both families no British articles of manufacture are included, or could be necessary."

Mr. Thomas Sydenham, who had been in the service of the East India Company for twelve years at the Presidency of Madras, on being

questioned whether he thought there was any probability of the natives of Hindustan being induced to purchase, to any extent, woollens, the manufacture of England, said :

"I think not; the woollens of this country are in use only with a few of the Hindoos, and many of the Mussalmans of high rank; but to the other classes of the community the manufacture of what is called a comely, I believe, is considered by themselves as comfortable as any kind of cloak they could have of the woollen, and must be always much cheaper."

Mr. Robert Morris, who had made several voyages to India in the capacity of a surgeon and purser on board the ships of the Company and whose time was employed in trading, in his examination, was asked :

"Did any articles enter largely into those assortments for the use of the native population of British India?—Very few, some few of iron-mongery, cutlery, hardware, a little fine glass, and a few woollens. * * *

"Is it within your knowledge, whether during the period in which you had this commercial communication with India, there was a grgowing demand, on the part of the native population for European commodities?—I do not think there was, in any considerable degree. * * * *

"Do you conceive, that if the trader were to load and send his own ship with a cargo of European articles, that cargo would be likely to find a market among the natives of British India?—I do not; among the natives, not more than at present. * * * *

"Do you conceive, that in the event of an open trade, any great expectations entertained by British manufacturers of an increased market for their products in India, would be realized or disappointed?—I conceive they would be disappointed."

Mr. James Horsburgh, who was hydrographer to the East India Company, being asked :

"In the event of a free trade being opened with India, is it your opinion that the demand for English

articles or manufactures in those seas would be increased to any material degree?"

said :

"I think not, without the natives are altered in disposition and habits."

Mr. Charles Buller, M. P., who had served in the Revenue Department, in Bengal, on being requested to give his opinion whether free trade with India would increase the demand among the natives of that country for European articles or manufactures, said :

"Very little, if any, I should suppose so."

The reasons he gave for his opinion were :

"From the general poverty of the people, and from their not having any wish, as I have seen, to have our articles, generally speaking."

The evidence of the Honourable Hugh Lindsay in the Marine service of the East India Company, who had made several voyages to India as Commander of a ship, is very important.

"Can you judge, from your own experience, how far articles of European manufacture find a sale among the natives of India?—I consider that the investments are fully sufficient for the demand; indeed rather more so, as I have invariably found that there has been a glut of the market and every season I have been in India; I mean towards the latter part. "What proportion of the assortment which you usually made consisted of goods for the consumption of the native Indians, and what for the consumption of Europeans resident in India?—The investments were generally sold to people who retailed them, and I conceive that they were entirely for the consumption of the Europeans, and in a very trifling degree for the natives. * * * * "Do you imagine, or conceive, that the consumption of European manufactures is likely to be much extended among the natives?—I do

not think it is likely to be much extended. I have at various times endeavoured to obtain information on that subject with the natives, and I begged they would inquire whether any new article could be sent, and their answer was, that their retail was for the Europeans, not for the natives.

"* * * * Is it your opinion that the exportation of European manufactures to India could ever take place with any hope of a much increased consumption amongst the natives?—As far as I can judge, I should think it will not increase."

"* * * * Is it your opinion, that ships going from the outports to India are likely in general to be disappointed in their expectations in respect to the sale of the cargo?—I should think to a very great degree indeed."

Mr. Stephen Rumbold Lushington, M. P., who had served on the Madras Establishment for eleven years, gave it as his opinion, that in Southern India among the mass of the population, there was

"no desire for European articles, and I believe there are few parts of India where the primitive manners and customs of the Hindoos are preserved so unmixed as in Tinnevelly and in the Southern Provinces; I think the Hindoo there is at this day what he was two thousands years ago. * * * His diet is frugal and simple; his hut is composed of mud and cocoa tree leaves, and a few bamboos; and a small strip of cloth is all the garment that he uses. I cannot therefore trace amongst any of the classes of the population of the Southern Provinces any desire for European articles; the means of purchasing such articles they do not possess; and the price of labour is so low, the raw materials are also so cheap, that I despair that the manufactures of this country, where labour is so much higher, and the material not the produce of this country, can ever be sent there to advantage for native consumption. * * * *

"Are not the people of India more sober and diligent, and as much employed and skilful in manufactures as the inhabitants of any country you are acquainted

with? *There can be no human beings more patient, or more industrious, or more sober, than the Hindoos;* and deriving their knowledge of the arts to the object immediately before them. They are eminently skilful in the manufacture of muslins, of chintzes, of shawls, and in some sorts of silver and gold work. * * *

"Are any of our manufactures, except some trifling articles of glass in the principal towns, in demand among the Hindoos?—No. Can they not manufacture such woollen articles as they want, infinitely cheaper and more to their habits and tastes, than we can send them?—I can have no doubt of it, because their labour is so much cheaper, and their materials so much lower in price."

Mr. David Vanderheyden, M. P., who had been in the Civil Service of the East India Company on the Bengăl Establishment for about twenty-five years, was one of the witnesses before the Lords' Committee.

"Are you able to state, whether the use of European commodities has been upon the whole increasing among the natives of India?—I should think not. * * * *

"Among the great mass of the population, is there any prospect of extending the consumption of European commodities?—I should think not the least, speaking of the people of all the Provinces.

"Will you state very concisely from what causes you think that event so unlikely?—I should think from their customs, manners, religion, and their very slender means of purchasing them, and their disinclination to purchase them if they had the means.

"Are the Committee to understand from you, that the contractedness of the means of the natives for the purchase of European commodities is likely to be lasting?—With the great mass of the people and the state of society, I think there is no period that we can contemplate when it will be otherwise, or that there will be any material alteration."

Mr. William Fairlie, who had resided for nearly thrity years in Bengal, as a Merchant and

Agent, corroborated the statement of the previous witnesses that the natives of India did not stand in need of British manufactures.

"Is it your opinion, that according to the present system, the present demand for European manufactures and commodities in India is fully supplied?—I think there is a full supply at present; for some years before I left India, goods were generally selling at a loss; and I understand, that they are still selling at a loss. * * * *

"Will you state to the Committee, what are the European articles that are in demand among the natives of India?—The chief articles are iron, lead, copper, woollens, and some other articles; spectacles, and hinges for doors, some small articles of that kind; but they can manufacture almost every thing they want themselves.

"Will you state to the Committee, what in your opinion is the great impediment to the increase of a demand for European articles among the natives of India?—Their habits, customs, and having no use they can put them to, that I know of.

"In your opinion is the low price of labour and the poverty of the mass of the population an insuperable impediment?—It is to a certain extent, no doubt; while I was there, thirty years, I did not know a native that made any attempt to follow the customs of Europeans, neither by using the articles or following their dress; they would use woollens in a great quantity if they could afford it, but none of the common people can, their wages are very low; * * *"

Mr. Lestock Wilson was for some years Captain of an East India-man in the Company's service. In his evidence, he was asked :

"In making up your investment for the Indian market, did you chiefly use such articles as were intended for the native consumption of India, or for the consumption of European residents in that country?—A great part of a Captain's investment consists of dead weight, consisting of lead, copper, and iron; copper is carried in a very limited degree; the East India Company seldom allow

you to deal in it; the rest is for the Europeans, I hardly know of any thing exclusively for the natives, unless it might be some articles that were intended to be manufactured in that country, either by natives or by Europeans.

"Did you find it profitable to make up a great portion of your investments of articles intended for the consumption of the natives?—My three last voyages were to Bombay and China, and I think two out of the three were unproductive, as far as the trade from Europe went, or nearly so; the profit in the other was slight.

"From your experience as a partner in a mercantile house trading with India, are you able to say, whether there be now any great demand in India for European manufactures from this country?—As a trader in a mercantile house, I am particularly situated, having a ship at this moment going out, that came home in 1810, which has since made a voyage in the company's service, and now has a right to return there; it is a teak-built ship, and probably may be sold there; there is a necessity for her returning to India, and she must return dead freighted, or in ballast, if the Company had not relaxed in the conditions of her going out with the produce and manufactures of this country; and I know, in consequence, her lading consists of a very few articles indeed that are strictly the produce of these kingdoms; I recollect but four she has, namely, empty bottles, a little ale, which is carried more to oblige a brewer, than any hope to get anything out of it; she has a little English iron, and twenty or thirty tons of chalk, which they use in a very small degree; she has been offered for freight at a very low rate, of which a very little indeed has been obtained."

Mr. William Davies was an East India merchant. So his evidence was very important.

"Can you state from your knowledge of the Indian commerce, whether the market for European goods in that country is generally over or understocked?—My opinion is, that of late it has had an ample supply; supposing the question to be whether under or overstocked, I should say, that in my opinion it has been overstocked."

The following question and its answer are too valuable to be passed over :

"Are you of opinion that if a considerably increased capital were applied to the encouragement of the manufactures of India, and they were brought to Europe, they would not probably materially injure the manufactures of this country?—I think that if the exports from India of coarse cloths were greatly increased, that they might interfere with the manufactures of this country. A proof, I had cloths consigned to me from Madras which did pay the duty in England, and were sold in England, a part of which I have now in use in my own house after having been bought from a trader in London; I am speaking of coarse cotton cloths."

Mr. William Bruce Smith resided in India as a licensed merchant for forty years. So he was well qualified to state the market that existed in India for British goods.

"Had you an opportunity of observing what degree of taste the natives evinced for the use of European manufactures in that part of the country?—But very few of them used the manufactures of Europe, they had no taste for them, they did not suit them.

"Did you ever engage in any speculation, which enables you to speak particularly to this point?—I did, an investment of European articles were sent to me from Calcutta, I think it was in the year 1793, to dispose of, and none of the natives would take them and they were returned back again; there was a boat load.

"What were the articles?—Wedgewood's wares, glassware, lanthorn shades, and articles of that description.

"Were they exposed to the view of the natives, and recommended to them?—They were given in charge of the native shopkeepers, desiring them to be sold, if possible, or to be returned; and they were all returned, or the greatest part of them were returned.

"Do you conceive that that experiment failed from a want of demand among the natives for European manufactures?—Entirely so; native demand for.

"Is the scantiness of European manufacture permanent in its nature?—I think it is.* * *

"Do you apprehend that the consumption of European hardware could be particularly promoted in that part of the country?—They make articles for their own use so much cheaper, that I think there would be little demand for European articles.* * *

"Do the natives of rank spend much of their superfluous wealth in the purchase of European commodities?—None at all, I believe, except in a very few instances."

Sir Charles Warre Malet, Baronet, was in the service of the East India Company for 28 years and was part of the time Governor of Bombay. In his evidence he was asked :

"From your observation of the natives of Hindustan, do you think they have either any want or any desire, for European commodities in that country?—Less, perhaps, than in almost any other part of the world;* * *

"Have the mass of the Hindu population in India the means, if they have the desire, of purchasing European commodities or manufactures; by the mass of the Hindu population I mean the cultivators of the land? They certainly do not desire them, it seems a thing quite foreign to their state of society; and if they had the inclination they certainly have not the means; but all their little articles of dress are of a peculiar form and make, and quite out of the idea of anything we have, nothing we make in this country is applicable to certain parts of their dress.

"Does it appear to you that the more opulent Hindus, who have intercourse with Europeans, have much taste for European articles, or use them much?

"In the whole course of my journey from Surat to Delhi, which is through the roof of the peninsula, and visiting the principal zemindars and rajahs in my route I recollect very little of European articles, or European

manufactures; I may have seen here and there some glassware and some specimens of our arms, they are fond of them; but I do not remember seeing a carriage. Broad-cloth you will see, which is used in their saddlery, for their shoes, and here and there you will see it used as a cloak, with a hood thrown over their heads; but all the common people have a thing of their own called a *comely*, made of wool. I scarcely remember an article of English manufacture, except those I have mentioned, and those are very rare indeed. I carried some articles of European fabric to the Moghul and to Scindia, mostly of cutglass."

Mr. Stanley Clark was in the maritime service of the East India Company for 25 years. The questions put to him and his answers to them are reproduced below :

"In your experience of the Indian trade, have you found that any, and if any, what new articles have been called for by the demands of the natives there?—I do not recollect any articles that can be called new articles of immediate British produce, that have been called for, unless it has been, in a very small degree, some Manchester goods, but to a very little account could I find vent for them, and they were chiefly taken off by Europeans."

These and several other witnesses were also examined before the Committee of the House of Commons. It is a remarkable fact that one and all of these witnesses who had been sworn to speak the truth, were unanimous in declaring that the Indian natives did not stand in need of any of the English manufactures, that there was no market in India for English goods and that the natives were quite capable of supplying their own wants. Indians were not savages. They had their flourishing industries. Where was the necessity then for their purchasing English goods?

Some of the reasons, mentioned by the witnesses, for Indians not buying English goods, were, the ability of the Indians to make all that they required much cheaper than the English, and their difference from the Europeans in religion, manners, customs and habits. By a one-sided free trade,—that is, by allowing English goods free access to India, but prohibiting the import or use of Indian goods in England or imposing prohibitive duties on such goods,— and by other means, the chief industries of India were either destroyed or materially crippled. The imparting of English education and the preaching of Christianity were calculated to change and anglicize the manners, customs, habits and religion of her inhabitants, though, no doubt, that was not the sole object in view.—From *The Modern Review* for December, 1907.

APPENDIX K

Contemporary India and America on the Eve of becoming free

BY B. D. BASU, MAJOR, I.M.S.

Our English friends, both stay-at-home Britishers as well as Anglo-Indians who feather their nests at the expense of the children of the Indian soil, are never tired of reiterating certain statements which they consider to be great discoveries and so they utter them in season and out of season in such a manner as to make one feel sick of hearing them. According to them, India

is merely a geographical expression, and it did not exist as one country* until the natives of England came out here. They further say that the natives of India are not a homogeneous people, but a very heterogeneous mass, † split up into separate races and creeds and castes, and, therefore, they are not fit for any representative or democratic institutions. There being no common language, no community of interests in India, its people are incapable of feeling any sentiments of patriotism. It is the English rule that maintains peace in India, otherwise its people would cut one another's throats. These views given expression to by charitable and philanthropic white men, we are accustomed to hear from our very infancy and read in school-books written by them. We will assume for the sake

* Mr. Vincent A. Smith however says in *the Early History of India* (p. 6): "Twice, in the long series of centuries dealt with in this history, the political unity of India was nearly attained;" namely, in the reigns of Asoka and Samudragupta.

† In the course of the last Imperial Budget Debate, Sir Harvey Adamson, the Home Member of Council, said: "The honourable member (Mr. Gokhale), in his tours through India, has formulated a demand for self-government for India on lines of a self-governing Colony. We may all look forward to the day far distant when education shall have permeated throughout India, when the hundreds of races that inhabit it will have attained some measure of homogeneousness, and when such form of administration may be feasible, but to set up that type of government at the present day as a plank of practical politics is as illogical and absurd as it would be for a teacher to instruct a pupil in the differential calculus immediately after he had "mastered the principles of simple addition."

of argument that all their statements are true. But we do not conclude therefrom that the people of India are unfit for any democratic or representative institutions or that the growth of the sentiment of common patriotism is impossible amongst them. If history shows that the people of one country under those very circumstances which now obtain in India, could exhibit patriotism when called upon by circumstances to do so, and representative government in its highest form is working successfully amongst them, there is no reason why there should be any failure in these matters in the case of India.

Let us turn to the circumstances that existed in those British colonies which are now known as the United States of America, before their separation from England. When America was discovered by Columbus, it was inhabited by many tribes whom Christian nations designated as Indians. As America was to be colonised, so the fate of these tribes was sealed. Colonisation means displacement. So the Christian nations exterminated the aborigines of America by means of gunpowder, the sword, brandy, and sowing of diseases and dissensions amongst them. There were also many other means devised by the European colonists to encompass the ruin of the American natives which it is not necessary to refer to here. The Christian colonists did not belong to one race, one creed or to one original country. There were not respectable men entirely wanting among them, but speaking generally, it was the dregs of the Christian countries of Europe

who furnished the ranks of the colonists of America. Their character was such that no one considered them capable of self-government. We will quote here the views of some of the Christian authors who had personal knowledge of these colonies before their separation from England and formation into the United States of America.

Burnaby, an acute observer, travelled through these North American Colonies in 1759 and 1760. According to him,

Fire and water are not more heterogeneous than the different colonies in North America. Nothing can exceed the jealousy and emulation which they possess in regard to each other. The inhabitants of Pennsylvania and New York have an inexhaustible source of animosity in their jealousy for the trade of the Jerseys. Massachussetts Bay and Rhode Island are not less interested in that of Connecticut. The West Indies are a common subject of emulation to them all. Even the limits and boundaries of each colony are a constant source of litigation. In short, such is the difference of character, of manners, of religion, of interest, of the different colonies, that I think, if I am not wholly ignorant of the human mind, were they left to themselves, there would soon be a civil war from one end of the continent to the other; while the Indians and negroes would with better reason impatiently watch the opportunity of exterminating them altogether."

Otis, who was a well-known American patriot, wrote in 1765 :

"God forbid these ever prove undutiful to their mother-country. Whenever such a day shall come, it will be the beginning of a terrible scene. Were these colonies left to themselves to-morrow, America would be a mere shambles of blood and confusion before little petty States could be settled."

The historian Lecky says :

"Great bodies of Dutch, Germans, French, Swedes, Scotch and Irish, scattered among the descendants of the English, contributed to the heterogeneous character of the colonies, and they comprised so many varieties of government, religious belief, commercial interest, and social type, that their union appeared to many incredible on the very eve of the Revolution." *

In India, there is not one common language. But that was the case in the colonies too. Lecky writes :

"Twenty-one years before New York, or, as it was then called, New Amsterdam, fell into the hands of the English, it was computed that no less than eighteen different languages were spoken in or near the town, and it continued under English rule to be one of the chief centres of foreign immigration." †

Even at the present day during the presidential election campaigns in the United States, the different parties have to publish pamphlets in 12 or 13 languages.

It is said that there is no patriotism, or community of feeling in India. But things were no better in America before the Revolution. To quote Lecky again,‡

"A country where so large a proportion of the inhabitants were recent immigrants, drawn from different nations, and professing different creeds, where, owing to the vast extent of the territory and the imperfection of the means of communication, they were thrown very silghtly in contact with one another, and where the money-making spirit was peculiarly intense, was not likely to produce much patriotism or community of feeling."

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* England in the Eighteenth Century, vol. IV, p. 12.
† England in the Eighteenth Century, vol. IV, p. 18.
‡ England in the Eighteenth Century, Vol. IV., p. 34.

Men like Lord Reay say that India is not fit for democratic government because its people are mostly illiterate.* But the condition of the colonies was no better. Webster, the lexicographer, writes in his Essays :

"Education is sunk to a level with the most menial services. . . . . Will it be denied that before the war it was a frequent practice for gentlemen to purchase convicts who had been transported for their crimes and employ them as private tutors in their families? (pp. 17-19).

Our aristocracy and moneyed classes are charged, and justly, as lacking in public spirit. That they spend their time in idleness and worthless pursuits cannot be denied. But the aristocracy of America were no better before the Revolution. Their gentlemen class consisted of planters and farmers, regarding whom Adams writes :

"The lands are cultivated and all sorts of trades are exercised by negroes or by transported convicts, which has occasioned the planters and farmers to assume the title of gentlemen, and they hold their negroes and convicts—that is, all labouring people and tradesmen—in such contempt, that they think themselves a distinct order of beings. Hence they never will suffer their sons to labour or learn any trade, but they bring them up in idleness or, what is worse, in horse-racing, cock-fighting, and card-playing. ** The object of the men of property here, the planters, etc., is universally wealth. Every way

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* "Had education 'permeated throughout' England when the foundations of popular liberty were laid?" (India, April 19th, 1907). Every student of English history knows that in England the wide spread of popular education followed but did not precede popular Government.

in the world is sought to get and save money; land-jobbers, speculators in land, little generosity to the public, little public spirit." (Adams' Works, II, 436).

But the Indian people at present, on the whole, are angels compared to the Christian Colonists of America, who were brutalised by their dealing in slaves and permitting slavery. They presented the spectacle of degraded humanity. Lecky writes :

"The most serious evil of the colonies was the number and force of the influences which were impelling large classes to violence and anarchy, brutalising them by accustoming them to an unrestrained exercise of power, and breaking down among them that salutary respect for authority which lies at the root of all true national greatness. The influence of negro slavery in this respect can hardly be overrated, and in the slave States a master could commit any act of violence and outrage on a negro with practical impunity.

"* * White men planted among savages and removed from the control of European opinion seldom fail to contract the worst vices of tyrants.

"* * * * Juries in Indian cases could never be trusted, and public opinion on the frontiers looked upon Indians as little better than wild beasts. * * But the despatches of Johnson and Stuart are full of accounts of how the English settlers continually encroached on the territory which was allotted by treaty to the Indians; how the rules that had been established for the regulation of the Indian trade were systematically violated; how traders of the lowest kind went among the savages, keeping them in a state of continual drunkenness till they had induced them to surrender their land; how the goods that were sold to Indians were of the most fraudulent description; how great numbers of Indians who were perfectly peaceful, and loyal to the English, were murdered without a shadow of provocation; and how these crimes were perpetrated without punishment and almost without blame." *

* Lecky's History of England, Vol. IV, p. 35.

If those Christian colonists who were brutalised by permitting slavery amongst them were worthy of liberty, why should not the heathen inhabitants of India where no institution like that of the slavery of Christian colonies ever existed be considered worthy of the same? Liberty alone befits a people to enjoy liberty.

Where similar causes exist, similar effects are likely to follow. The causes which brought about the American Revolution are now more or less in operation in India. The American colonies were under the protection of England. So is India a dependency of that Christian island. The Christian islanders tried to enrich themselves at the expense of the colonists by crushing their industries. The natives of England have all along been doing the same towards the people of India. Our industries are not encouraged, but have been deliberately destroyed, by Christian England,* and are at present handicapped by the philanthropists of Lancashire.

Then again one of the measures which greatly irritated the colonists was the establishment in America of a portion of the British army. The

* The real cause which led to the American Revolution was the English trade laws which crushed American industries. Arthur Young in the Preface to the *Tour in Ireland* very justly said: "Nothing can be more idle than to say that this set of men, or the other administration, or that great minister occasioned the American War. It was not the Stamp Act nor the repeal of the Stamp Act, it was neither Lord Rockingham nor Lord North, but it was that baleful spirit of commerce that wished to govern great nations on the maxims of the counter."

same is the case in India also. Ever since the Mutiny of 1857, the number of white soldiers is being increased almost every year.

The English Parliament attempted to tax the colonists and also legislate for them. The colonists were not represented in the British Parliament; so their popular watch-word was not only 'No representation, no taxation,' but also 'No representation, no legislation.' Are not the people of India treated in these matters of taxation and legislation exactly like the American colonists?

But what awakened the American colonists from their state of lethargy, and who were the mouth-pieces to give expression to their discontent? Perhaps it is not so well-known, but it should be widely known, in India, that it was the lawyers, the members of the legal profession, who helped to give voice to the discontent with which American society was seething. The most intelligent men amongst the colonists took to the study of the law. Burke said :

"In no country, perhaps, in the world, is the law so general a study. The profession itself is numerous and powerful, and in most provinces it takes the lead. The greater number of the deputies sent to Congress were lawyers. ** I have been told by an eminent bookseller that in no branch of his business, after tracts of popular devotion, were so many books as those on the law exported to the plantations."

Noah Webster wrote in 1787 :

"Never was such a rage for the study of law. From one end of the continent to the other the students of this science are multiplying without number. An infallible proof that the business is lucrative."

The legal profession more than any other contributed to the American Revolution. Men like Jefferson, Adams, Otis, Dickenson and others, belonged to this profession.

Do we not see the same thing happening in India? The best men of our universities belong to the legal profession. Most of the delegates returned to the Indian National Congress, and members of the public bodies and assemblies of this country are lawyers. The legal profession is so much in evidence everywhere in India that our Anglo-Indian rulers and newspapers tauntingly refer to the present state of India as 'Vakil Raj.' The members of the legal profession should take this as a compliment and strive to give expression to the discontent that is prevalent in India as did Otis, Jefferson and others in America on the eve of the Revolution. They should also try to create and direct public opinion in this country.*

The colonists found themselves quite helpless and sold to England. On their awakening, the

* Lecky writes : "Few persons except lawyers had any tincture of literature, and lawyers under these circumstances had attained a greater power in this province than in any other part of the king's dominions. They had formed an association for the purpose of directing political affairs. In an assembly where the majority of the members were ignorant and simple-minded farmers, they had acquired a controlling power.* * They were the chief writers in a singularly violent press. They organized and directed every opposition to the Governor, and they had attained an influence not less than that of the priesthood in a bigoted catholic country. (Lecky's History of England, Vol. IV., p. 19).

first thing they did was to boycott English goods. Lecky writes :

"The merchants of the chief towns entered into agreements to order no more goods from England, cancel all orders already given, in some cases even to send no remittances to England in payment of their debts, till the Stamp Act was repealed. * * In order that the colonies might be able to dispense with assistance from England, great efforts were made to promote manufactures. The richest citizens set the example of dressing in old or homespun clothes rather than wear new clothes imported from England; and in order to supply the deficiency of wool, a general agreement was made to abstain from eating lamb."*

So in India also we see the Swadeshi and Boycott movements coming into existence. They are at present in their infancy, but nevertheless they are growing. It is the bounden duty of every Indian to take a solemn vow to support these movements. These movements as they spread and take root in the country are sure to ameliorate the condition of the Indian people.

We have shown the parallelism between the circumstances that existed in the American colonies on the eve of the Revolution and in India in modern times. But there is one great difference in their situation. The American colonists had not been emasculated and were in possession of arms.† The natives of India, on the other hand,

* Lecky's History of England, Vol. IV, p. 83.

† "As an American military writer truly said, the middle and lower classes in England, owing to the operation of the game laws and to the circumstances of their lives, were in gtneral almost as ignorant of the use of a musket as of the use of a catapult. The New England

have been emasculated and are disarmed. The American colonists as a last resource appealed (or rather responded to the call) to arms, and we know with what success. But it will not be necessary for us to take up arms to secure *swaraj* for our country. The implements of peace are more effective than weapons of war. The author of " National Life and National Character " says :

> "The supremacy of the inferior races in the future is likely to be achieved by industrial progress rather than by military conquest." *

Yes, in the spread of the Swadeshi movement binding all the inhabitants of India to abstain from English manufactures lies the salvation of this country.

A word to our rulers. They should take a warning from the history of the American Revolution. Had those men in Christian England who possessed political power been considerate and yielded to some of the reasonable demands of the colonists, in all probability America would not have been lost to the Crown of England.† If

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yeomen were accustomed to firearms from their childhood, they were invariably skilful in the use of spade, batches, and pick-axe, so important in military operations; ** (Lecky's History of England, Vol. IV., p. 202).

* Pearson's National Life and National Character, p. 99.

† Lecky says that George III " espoused with passionate eagerness the American quarrel; resisted obstinately the measures of conciliation by which at one time it might easily have been stifled; envenomed it by his glaring partisanship and protracted it for several years, in opposition to the wish and even to the advice of his own favourite and responsible minister."

the present generation of Englishmen are wise and are able to read the signs of the times, they should not trifle with the new life that has come into existence in India; they should not treat the Indian people with contempt as being an inferior race and, therefore, not entitled to any political rights and privileges. The demand of New India is *Swaraj* or Self-Government; nothing short of this will satisfy India. If, as we said, the present statesmen of England are wise enough, they should grant this to India at once. No sophistry, no far-fetched arguments to prove our so-called incapacity for *Swaraj* will be of any avail. As we said before, the Christian colonists of America were, on the eve of the Revolution, no better, nay worse, than the Indians of to-day. There were many colonists who were averse to throw off the yoke of England and assume independence. What were their reasons? Lecky writes :

"Was it not likely, too, that an independent America would degenerate, as so many of the best judges had predicted, into a multitude of petty, heterogeneous, feeble, and perhaps hostile States? * * Was it not possible that the lawless and anarchical spirit which had of late years been steadily growing, * * would gain the upper hand, and that the whole fabric of society would be dissolved?*

Similar fears are professed by Anglo-Indians and entertained by many of our own countrymen. But the subsequent history of America has proved that these colonists were one and all false prophets. Their predictions have not come to be true. If India be given *Swaraj* and left alone,

* Lecky's History of England, Vol. IV., p. 223.

and if no incarnation of Satan, inspired by the doctrine of "*Divide et impera,*" come to play mischief in this country, is it not likely that the predictions of the present-day Anglo-Indian bureaucrats and journalists also will be falsified? Under the flag of *Swaraj*, confederated India consisting of different provinces, races and creeds, like the United States of America, will march in the van of progress leading mankind to a higher plane of humanity and setting before the world nobler ideals to follow. That is the goal worth striving for.—From *The Modern Review* for June, 1907.

WORKS

OF

MAJOR B. D. BASU, I. M. S.

"There is no Eastern country which has so many talented men in so many walks of life as India. Men like Tagore . . . . Sir J. C. Bose . . . . **Major B. D. Basu, the historian of India :** to name only a few out of scores would be highly distinguished in any European country . . . . All of these should be respected and appreciated by us Englishmen and Europeans as working on a plane of absolute equality with ourselves." *The Changing East*, p. 23, by Mr. J. A. Spender, long Editor of the *Westminister Gazette*, London, 1927.

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